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ABSTRACT

The subcommittee on education and training held hearings regarding educational benefits for post-Vietnam era veterans. Four main bills were presented as amendments to title 38 of the United States Code and formed the focus of discussion: (1) HR 2000, to entitle veterans to 45 months of educational assistance for all educational programs, undergraduate and graduate; (2) HR 6806, to terminate the Vietnam era period of war and have it extend from August 5, 1964 to June 30, 1975; (3) HR 7726, to set a termination date for veterans' educational benefits, defining an eligible veteran as one who served on active duty for more than 180 days from Febraury 1, 1955 to June 30, 1975; (4) HR 8406, to set a termination date of August 31, 1975 for computing veterans' educational entitlement and to extend the maximum educational benefits to 45 months. The testimonies of the following individuals are included and are supportive of the various bills they address: Rufus H. Wilson, Veterans Administration; Donald H. Schwab, Veterans of Foreign Wars; Mylio S. Kraja, American Legion; Charles C. Garafino, National Association of Concerned Veterans. Supportive statements from congressman and various national groups are also included. (LH)

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PROVISION OF EDUCATION BENEFITS FOR POST-VIETNAM ERA VETERANS

HEARINGS

BEFORE THE

SUBCOMMITTEE ON EDUCATION AND TRAINING

OF THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

H.R. 2000, H.R. 6806, H.R. 7726, H.R. 8406, and Related Bills

JULY 29, 1975

Printed for the use of the Committee on Veterans' Affairs

Pages of all hearings are numbered cumulatively to permit a comprehensive index at the end of the Congress. Page numbers lower than those in this hearing refer to other legislation.

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PROVISION OF EDUCATION BENEFITS FOR POST VIETNAM ERA VETERANS

TUESDAY, JULY 29, 1975

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION AND TRAINING
OF THE HOUSE COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m. in room 334, Cannon Office Building, Hon. Ronald M. Mottl and Lester L. Wolff presiding.

Mr. MOTTL. The Subcommittee on Education and Training of the Veterans' Affairs Committee will now come to order. We do not have too many members as of yet, but they will be joining us shortly, I am sure after the quorum call.

On May 7, 1975, the President issued a proclamation terminating the Vietnam wartime period. Without objection, I insert at this point in the record, a copy of that proclamation.

[The document follows:]

THE WHITE HOUSE

Fixing Terminal Date Respecting Service in the Armed Forces Entitling Persons to Certain Veterans' Benefits

---

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

The Congress has provided that entitlement to certain veterans' benefits be limited to persons serving in the Armed Forces during the period, beginning August 5, 1964, referred to as the Vietnam era. The President is authorized to determine the last day on which a person must have entered the active military, naval, or air service of the United States in order for such service to qualify as service during that period.

The signing of the cease-fire agreements and implementing protocols on January 27, 1973, between the United States of America and the Republic of Vietnam, on the one hand, and the Democratic Republic of Vietnam and the Provisional Revolutionary Government of the Republic of South Vietnam on the other hand, has terminated active participation by the Armed Forces of the United States in the Vietnam conflict.

Now, Therefore, I, Gerald R. Ford, President of the United States of America, by virtue of the authority vested in me by Section 101(29) of Title 38 of the United States Code, do hereby proclaim, for the purposes of said Section 101(29), that May 7, 1975, is designated as the last day of the "Vietnam era."

In Witness Whereof, I have hereunto set my hand this seventh day of May in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

Mr. MOTTL. On the same day, the President transmitted to the Congress a proposed bill to amend title 38, United States Code, to set a termination date for veterans' educational benefits under chapters 34 and 36 of such title, and for other purposes.

Without objection, I will insert in the record a copy of the letters from the President to the Speaker of the House of Representatives.

[The letters follow:]

[94th Congress, 1st Session, House Document No. 94–138]

TERMINATION OF VETERANS' EDUCATIONAL BENEFITS

THE WHITE HOUSE,
Washington, May 7, 1975.

The Honorable the SPEAKER,
Washington, D.C.

DEAR MR. SPEAKER: I am transmitting today a proposed bill "To amend title 38, United States Code, to set a termination date for veterans educational benefits under Chapters 34 and 36 of such title, and for other purposes."

The bill would terminate the eligibility period for GI Bill education and training benefits for persons who will be entering peacetime voluntary military service on or after July 1, 1975.

I have today also issued a Proclamation which fixes the period of Vietnam service as beginning on August 5, 1964, and ending on May 7, 1975, for certain wartime benefits.

The effect of these actions is similar to those terminating wartime veterans benefits following the cessation of World War I, World War II, and the Korean War hostilities.

The Proclamation and this legislation would make an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces. The termination actions will not affect the eligibility of the millions of Vietnam veterans already discharged, or those presently serving in the Armed Forces.

I urge the Congress to give prompt and favorable consideration to the draft bill.

Sincerely,

GERALD R. FORD.

A BILL To amend title 38, United States Code, to set a termination date for veterans educational benefits under chapters 34 and 36 of such title, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1652(a)(1) of title 38, United States Code, is amended to read as follows:

"(a)(1) The term 'eligible veteran' means any veteran who (A) served on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and before July 1, 1975, and who was discharged or released therefrom under the conditions other than dishonorable, or (B) was discharged or released from active duty, any part of which was performed during such period, because of a service-connected disability."

SEC. 2. Section 1661(a) of title 38, United States Code, is amended by—

(1) inserting ", and before July 1, 1975" immediately after "January 31, 1955" each time it appears; and

(2) adding at the end thereof the following: "In the case of any person in the active military service in the Armed Forces on June 30, 1975, the ending date for computing such person's entitlement shall be the date of such person's first discharge or release after June 30, 1975."

SEC. 3. Section 1662(a) of title 38, United States Code, is amended by adding at the end thereof the following: "In no event shall education or training be afforded a veteran under this chapter or chapter 36 of this title after June 30, 1985."

SEC. 4. Section 1695(b) of title 38, United States Code, is amended by inserting after "service" the following: ", any part of which occurred after January 31, 1955, and before July 1, 1975,".

SEC. 5. Section 1818(a) of title 38, United States Code, is amended by deleting "eligible veteran, as defined in paragraphs (1) and (2) of subsection (a) of section 1652 of this title," and inserting in lieu thereof: "person who served on active duty, any part of which occurred after January 31, 1955, and who:

(1) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable; or

(2) has served more than 180 days in an active duty status and continues on active duty without a break therein; or

(3) was discharged or released from active duty after such date for a service-connected disability".

SECTION-BY-SECTION ANALYSIS OF DRAFT BILL

Section 1

This section would amend section 1652(a)(1) of title 38, United States Code, to provide that, for the purposes of eligibility for educational benefits, a veteran is defined as an individual who served on active duty for a period of 181 days or more, any part of which occurred after January 31, 1955, and before July 1, 1975, and who was discharged or released under conditions other than dishonorable, or who served during such period and was discharged or released because of a service-connected disability. The effect of the amendment to this section is to set a period of service on which eligibility for educational benefits may be based. Entrance into military service on or after July 1, 1975, would not be qualifying service for this benefit.

Section 2

Subsection (1) would amend section 1661(a) to establish June 30, 1975, as the ending date for that period of time in which an individual may commence service in the military and earn potential entitlement towards 36 months of educational assistance.

Subsection (2) represents a savings provision which would permit those persons entering military service prior to July 1, 1975, to accrue educational entitlement with the amount of such entitlement earned based upon the date of the individual's first discharge or release after June 30, 1975.

Section 3

This section would amend section 1662(a) to set June 30, 1985, as the final termination date for utilization of entitlement earned under the current GI Bill education program. The date set is 10 years following the cut-off date (July 1, 1975) and is in line with the 10-year period provided veterans of the Korean conflict. Under that program, individuals were required by law to utilize entitlement by January 31, 1965—10 years from the ending of the Korean conflict (January 3, 1955).

Section 4

This section would amend section 1695(b) to set June 30, 1975, as the date beyond which individuals entering military service may not accrue entitlement to Predischarge Education (PREP) benefits. This is consistent with the cut-off date for all other educational programs for veterans.

Section 5

This section would amend section 1818(a) to permit all veterans serving on active duty after January 31, 1955, to continue to be eligible for loan guaranty benefits. Under the provisions of section 1818(a), eligibility for loan guaranty benefits is based upon the definition of a veteran as set forth in section 1652—the same as educational benefits. With the termination of the educational benefit eligibility under the amended provisions of section 1 of this bill, it is necessary to amend section 1818(a) to preserve continued loan guaranty eligibility.

[H.R. 2000, 94th Cong., 1st sess.]

A BILL To amend title 38, United States Code, in order to entitle veterans to forty-five months of educational assistance for all educational programs under chapter 34 of this title

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1661 of title 38, United States Code, is amended—

(1) by amending the second sentence of subsection (a) to read as follows: "If an eligible veteran has served a period of 18 months or more on active duty after January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 45 months (or the equivalent thereof in part-time educational assistance)."; and

(2) by amending subsection (c) thereof to read as follows:

"(c) Except as provided in subsection (b) and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of 45 months."

SEC. 2. The amendments made by the first section of this Act shall take effect on the date of their enactment.

[No. 4]

COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 3, 1975.

Hon. RAY ROBERTS,
Chairman, House Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans Administration on H.R. 2000, 94th Congress, a bill "To amend title 38, United States Code, in order to entitle veterans to forty-five months of educational assistance for all educational programs under chapter 34 of this title."

The proposed measure would entitle all veterans who served a period of 18 months or more on active duty after January 31, 1955, to 45 months of educational assistance under all educational programs provided in chapter 34 of title 38.

The stated purpose of the veterans' educational assistance program is to enhance and make more attractive, service in the Armed Forces, to restore lost educational opportunities to those whose careers have been interrupted or impeded by reason of active duty service, and to aid such persons in attaining the educational status to which they might have normally aspired and obtained had they not served their country. These programs were intended to provide readjustment assistance during the period following the release of the veteran from service to civilian life. A period of 36 months provides sufficient time to complete vocational programs or a 4-year college program, in most instances.

There are many considerations in establishing an educational assistance program. Congress, in determining what assistance should be given to the returning veteran, decided that a veteran who served on active duty at least 18 months after January 31, 1955, and was released as having satisfied his active duty obligation, became entitled to 36 months of educational assistance. Where entitlement to the full 36 months is not established, the law provides that eligible veterans will be credited with entitlement on the basis of 1½ months for each month or fraction thereof of active service after January 31, 1955. Veterans who do not have a high school diploma, or need refresher, remedial, or deficiency courses to qualify for enrollment in an appropriate program may receive benefits for pursuit of such courses without a charge against their entitlement. Based upon this type of need, many veterans will receive benefits for more than 36 months.

Furthermore, Public Law 93-508, enacted December 3, 1974, provides that an eligible veteran who is entitled to 36 months of educational assistance may receive an additional number of months, not to exceed nine, to pursue a program of education leading to a standard undergraduate degree. The primary intent of this change is to assist those veterans who have pursued their programs of education to complete the requirements for their baccalaureate degree.

We also note that section 1661(b) of title 38, United States Code, allows an extension of benefits to the end of the quarter, term, or semester when the veteran's period of entitlement expires during a quarter, term, or semester. To extend an additional 9 months would result in a total of 49 months of entitlement in some cases.

The Veterans Administration has opposed any extension of entitlement beyond the 36 months of benefits contained in the law prior to the added benefits provided by Public Law 93-508. We are still of the opinion that a veteran, with 36 months of entitlement, has enough entitlement to obtain a 4-year college degree.

It is estimated that the cost of H.R. 2000, if enacted, would be as follows:

Fiscal year:	*Cost (in millions)*
1976	$70.9
July 1 to Sept. 30, 1976	6.2
1977	30.9
1978	30.9
1979	30.9
1980	30.9
Total through 1980	200.7

In view of the foregoing, the Veterans Administration opposes the enactment of H.R. 2000.

55-489—75——2

This will also serve as a report on H.R. 293, H.R. 1028, H.R. 1954, H.R. 2791, and H.R. 2993, 94th Congress, bills which are identical to H.R. 2000.

It will also serve as a report on H.R. 314, H.R. 495, H.R. 748, H.R. 1122, and H.R. 2456, 94th Congress, bills which are substantially similar to H.R. 2000. These bills were incorrectly drafted, inasmuch as they did not take into consideration section 202 of Public Law 93–508 which has already extended educational assistance from 36 to 45 months to certain veterans, who upon expiration of 36 months, have not yet attained a standard undergraduate college degree.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

[H.R. 6806, 94th Cong., 1st sess.]

A BILL To terminate the Vietnam era period of war for purposes of the veterans' laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(29) of title 38, United States Code, is amended to read as follows:

"(29) The term 'Vietnam era' means the period beginning August 5, 1964, and ending on June 30, 1975.".

SEC. 2. Section 1652(a)(1) of title 38, United States Code, is amended to read as follows:

"(a)(1) The term 'eligible veteran' means any veteran who (A) served on active duty for a period of more than 180 days any part of which occurred after January 31, 1955, and before July 1, 1975, and who was discharged or released therefrom under conditions other than dishonorable; or (B) was discharged or released from active duty, any part of which was performed after January 31, 1955, and before July 1, 1975, because of a service-connected disability.".

SEC. 3. Section 1661a( ) of title 38, United States Code, is amended—

(1) by inserting immediately after "January 31, 1955," each time it appears therein the following: "and before July 1, 1975,"; and

(2) by adding at the end therof the following new sentence: "In the case of any person in the active military service in the Armed Forces on June 30, 1975, the ending date for computing such person's entitlement shall be the date of such person's first discharge or release after June 30, 1975."

SEC. 4. Section 1662 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) In no event shall educational assistance be afforded to any eligible veteran under this chapter, or chapter 36 of this title, after June 30, 1985.".

SEC. 5. Section 1695(b) of title 38, United States Code, is amended by inserting immediately after "service" the following: ", any part of which occurred after January 31, 1955, and before July 1, 1975,".

[No. 37]

COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., July 15, 1975.

Hon. RAY ROBERTS,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on H.R. 6806, 94th Congress, a bill "To terminate the Vietnam era period of war for purposes of the veterans' laws, and for other purposes."

This measure would prescribe the Vietnam era as being the period August 5, 1964, through June 30, 1975, thereby ending eligibility for certain veterans benefits, such as pension, burial allowance, and priorities in certain employment and training, for those individuals entering the military service on and after July 1, 1975. The bill specifically bars individuals entering military service on and after July 1, 1975, from accruing entitlement to GI Bill educational benefits, and would

also have the effect of barring loan guaranty eligibility for individuals entering military service on or after July 1, 1975.

The President, on May 7, 1975, acting under the authority granted him by section 101(29) of title 38, United States Code, issued a proclamation setting May 7, 1975, as the termination date for the Vietnam era. Thus, section 1 of the measure, which proposes to set June 30, 1975, as the final date for the Vietnam era, is moot, and, as a technical matter, should be stricken from the bill, and subsequent sections renumbered.

Under H.R. 6806, any individual entering military service on and after July 1, 1975, would be barred from accruing any entitlement to education benefits under the GI Bill. This bill permits those individuals who are in military service on June 30, 1975, to continue to accrue and utilize entitlement to educational benefits under current law, and sets June 30, 1985, as the final date beyond which no benefits could be awarded under the educational program to anyone.

This measure follows similar action in ending GI Bill education programs for World War II and the Korean conflict veterans. The legislation makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Voluntary Armed Forces.

It should be emphasized that the educational assistance programs for World War II and Korean veterans, as well as for those eligible under current law, have all been readjustment programs designed to help veterans to adjust from military to civilian life by affording them monetary aid to obtain an educational status they might normally have aspired to and obtained had they not served their country in wartime or national emergency. It was not contemplated that educational assistance was to be a continuing benefit.

The World War II veteran was eligible only if he was on active duty by July 25, 1947, the official ending date for World War II. He had 4 years from the date of his separation from the service in which to commence his program of education and was allowed a period of 9 years from separation to use his entitlement. A final termination date of July 25, 1956, was set for the bulk of World War II veterans. Korean veterans had 3 years following separation from service in which to commence, and 8 years from the date of such discharge in which to complete, their programs of education. A final termination date of January 31, 1965, was set beyond which no benefits were permitted under that program.

Public Law 89-358, the Veterans' Readjustment Benefits Act of 1966, established a program of educational assistance for eligible veterans who served on active duty in the Armed Forces after January 31, 1955. We believe that with the signing of the cease-fire agreement and implementing protocols of January 27, 1973, which ended our involvement in hostilities in Vietnam, it is appropriate to terminate the current educational readjustment program.

We would point out that, if it is intended that this measure be effective prospectively, the July 1, 1975, termination date, currently provided in H.R. 6806, should be changed. It is our view that any termination date for the program should be prospective.

We have been advised by the Department of Defense that, as written, H.R. 6806 could create inequities and violate implied commitment of GI Bill benefits to individuals who have enlisted in the Department's Delayed Entry Program (DEP). This is a program under which individuals contract to enter the military services, are enlisted in a Reserve unit, and are required to go on active duty within 9 months. It is the Department's recommendation that the bill be amended to (a) eliminate the July 1, 1975, date cited earlier in this report; (b) substitute a new date which would provide the Department with sufficient time to alter extensive advertising and recruiting programs; and (c) allow GI Bill benefits to those who enlist under the Delayed Entry Program, but who do not go on active duty for a period of time thereafter.

The Veterans Administration has no objection to the Department's proposals and is enclosing with this report a proposed draft substitute for H.R. 6806 which would incorporate changes to carry out their suggestions. The proposed draft substitute would set the first day of the second calendar month following the date of enactment as the termination date for the GI Bill program, would provide GI Bill benefits for those individuals who enlist in DEP prior to the termination date, provide protection for those individuals who enlist in DEP but are discharged or released from active duty performed pursuant to such an enlistment because of a service-connected disability, and set 10 years from the first day of the second calendar month following the date of enactment as the final date beyond which no individual may receive GI Bill benefits.

We believe that the proposed substitute draft would give the Department ample lead time which they need in conjunction with their enlistment programs and also provide benefits for those who sign up under DEP. We understand that as of the present date, over 60,000 men and women have enlisted in the Delayed Entry Program, have been sworn into the Reserve, and have committed themselves to 6 years total military service of which at least 3 years will be on active duty. If the GI Bill program were to be terminated July 1, 1975, as provided in H.R. 6806, these persons would not be eligible. Many of these men and women have enlisted in anticipation of receiving GI Bill benefits provided by current law. If they are not afforded this benefit, the Defense Department will have violated their advertised incentive and would, possibly, be obligated to release them from their active duty commitment. We are informed that Department surveys indicate that such releases could run as high as 30 percent of the enlistees concentrated among those with the best qualifications.

Enactment of H.R. 6806 would have no effect on our vocational rehabilitation program under which veterans who are disabled because of a service-connected disability are furnished vocational rehabilitation.

Enactment of the bill in its present form would, however, have the effect of terminating eligibility for loan guaranty benefits for those persons entering active duty on or after July 1, 1975. Section 1818 of title 38 currently grants home loan benefits to those veterans serving after January 31, 1955, who qualify as an "eligible veteran." An "eligible veteran" is determined by the definition set out in 1652(a) of title 38 which comes within the chapter pertaining to educational benefits. Thus, amending section 1652(a) to terminate educational benefits for a person entering on military duty on or after July 1, 1975, as proposed in the bill, would also bar the individual from benefits of the loan guaranty program. If it is the intention of the Congress to terminate this program, the VA would have no objection.

The loan guaranty program was originally conceived in 1944 with the objective of diminishing, to the greatest possible extent, the economic and sociological problems of post-war readjustment of the millions then serving in the Armed Forces. This concept arose because of the feeling that veterans, in view of their service in the Armed Forces, had missed an opportunity to establish themselves in a business or profession, and to establish a credit rating which could be the basis of borrowing to acquire a home. The loan guaranty program was an attempt to place veterans on a par with their nonveteran counterparts. In view of the fact that those now entering military service are doing so voluntarily and in time of peace, and coupled with the increases in pay granted members of the Armed Forces in recent years, such readjustment benefits may be considered unnecessary.

In addition, eliminating loan guaranty eligibility for post-Vietnam peacetime veterans would be consistent with the Administration's goal of eliminating duplication of Federal programs. Further, the peacetime veteran could obtain an FHA loan insured by the Department of Housing and Urban Development. In fact, veterans with 90 days or more active service are eligible (under section 1709(b)(2) of title 12, U.S.C.) for such loans with more liberal downpayment terms than the usual FHA loans.

It should be emphasized that enactment of H.R. 6806 would not affect the home loan entitlement of veterans of World War II, the Korean conflict, or any veteran who serves after January 31, 1955, and before the termination date of the program. It would only apply to those individuals entering active service after that date.

We estimate that enactment of H.R. 6806 would result in a cost savings of $19.8 million in Fiscal year 1976, and in a cost savings over the first 5 fiscal years (including the transition period) of $1.53 billion. The bulk of this savings would come from the termination of the GI Bill education program. A detailed breakdown by fiscal year of the estimated cost savings resulting from terminating educational benefits follows:

Direct benefits savings education program

Fiscal year:	*In millions*
1976	$19.8
Transition	8.9
1977	114.1
1978	256.4
1979	447.2
1980	679.7
Total, through 1980	1,526.1

Termination of loan guaranty benefits would, it is estimated, result in a comparatively modest cost savings. The estimated savings for the first fiscal year would be approximately $300,000. The total estimated 5-year cost savings (including the transition period) would be approximately $27 million, of which nearly 40 percent would be in the last fiscal year. A detailed breakdown of the estimated cost savings resulting from ending loan guaranty benefits for post-Vietnam veterans follows:

[In millions of dollars]

Fiscal year	G.O.E.	Direct loan expenditures	Expenses and losses	Total
1976	−$.1	−$.2	(1)	−$.3
Transition	−.1	−.2	(1)	−.3
1977	−.6	−1.7	−$.4	−2.7
1978	−1.2	−3.1	−.9	−5.2
1979	−2.0	−4.5	−1.5	−8.0
1980	−2.9	−6.0	−1.6	−10.5
Total	−6.9	−15.7	−4.4	−27.0

1 Less than $50,000.

For the foregoing reasons, the Veterans Administration favors enactment of the substitute draft proposal in lieu of H.R. 6806. This substitute would set a new termination date for the GI Bill education program and would protect benefit rights for those individuals who enter into the Delayed Entry Program prior to that date. Should the Congress decide that the national interest would best be served by terminating eligibility for loan guaranty benefits of post-Vietnam era veterans, the Veterans Administration would have no objection.

The Office of Management and Budget has no objection to presentation of this report to the Congress and advises that enactment of the susbtitute draft proposal in lieu of H.R. 6806 would be in accord with the program of the President.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

Enclosure.

A BILL To terminate the Vietnam era period of war for purposes of the veterans' laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1652(a)(1) of title 38, United States Code, is amended to read as follows:

"(a)(1) The term 'eligible veteran' means any veteran who:

"(A) served on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and before the first day of the second calendar month following the date of enactment of this Act, and who was discharged or released therefrom under conditions other than dishonorable; or

"(B) contracted with the military services and was enlisted in a reserve component prior to the termination date provided in clause (A) of this subsection and as a result of such enlistment served on active duty for a period of more than 180 days, any part of which commenced within 12 months after the termination date set forth in clause (A) of this subsection, and was discharged or released from such active duty under conditions other than dishonorable; or

"(C) was discharged or released from active duty, any part of which was performed after January 31, 1955, and before the termination date provided in clause (A) of this subsection, or following entrance into active service from an enlistment provided for under clause (B) of this subsection, because of a service-connected disability."

SEC. 2. Section 1652(a)(2) of title 38, United States Code, is amended by inserting immediately after "paragraph (1)(A)" the following: "or (B)".

SEC. 3. Section 1661(a) of title 38, United States Code, is amended—

(1) by inserting immediately after "January 31, 1955," each time it appears therein the following: "and before the first day of the second calendar month following the date of enactment of this Act"; and

(2) by adding at the end thereof the following new sentence: "In the case of any person in the active military service before the first day of the second

calendar month following the date of enactment of this Act, or a person eligible under section 1652(a)(1)(B) of this chapter, the ending date for computing such person's entitlement shall be the date of such person's first discharge or release from active duty."

SEC. 4. Section 1662 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) In no event shall educational assistance be afforded to any eligible veteran under this chapter, or chapter 36 of this title, after 10 years after the first day of the second calendar month following the date of enactment of this Act."

SEC. 5. Section 1695(b) of title 38, United States Code, is amended by inserting immediately after "service' 'the following: ", any part of which occurred after January 31, 1955, and before the first day of the second calendar month following the date of enactment of this Act."

[H.R. 7726, 94th Cong., 1st sess.]

A BILL To amend title 38, United States Code, to set a termination date for veterans educational benefits under chapters 34 and 36 of such title, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1652(a)(1) of title 38, United States Code, is amended to read as follows:

"(a)(1) The term 'eligible veteran' means any veteran who (A) served on active duty for a period of more than one hundred and eighty days, any part of which occurred after January 31, 1955, and before July 1, 1975, and who was discharged or released therefrom under conditions other than dishonorable, or (B) was discharged or released from active duty, any part of which was performed during such period, because of a service-connected disability.".

SEC. 2. Section 1661(a) of title 38, United States Code, is amended by—

(1) inserting ", and before July 1, 1975" immediately after "January 31, 1955" each time it appears; and

(2) adding at the end thereof the following: "In the case of any person in the active military service in the Armed Forces on June 30, 1975, the ending date for computing such person's entitlement shall be the date of such person's first discharge or release after June 30, 1975.".

SEC. 3. Section 1662(a) of title 38, United States Code, is amended by adding at the end thereof the following: "In no event shall education or training be afforded a veteran under this chapter or chapter 36 of this title after June 30, 1985.".

SEC. 4. Section 1695(b) of title 38, United States Code, is amended by inserting after "service" the following: ", any part of which occurred after January 31, 1955, and before July 1, 1975,".

SEC. 5. Section 1818(a) of title 38, United States Code, is amended by deleting "eligible veteran, as defined in paragraphs (1) and (2) of subsection (a) of section 1652 of this title," and inserting in lieu thereof: "person who served on active duty, any part of which occurred after January 31, 1955, and who—

"(1) served for a period of more than one hundred and eighty days and was discharged or released therefrom under conditions other than dishonorable; or

"(2) has served more than one hundred and eighty days in an active duty status and continues on active duty without a break therein; or

"(3) was discharged or released from active duty after such date for a service-connected disability".

COMMITTEE ON VETERANS' AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 22, 1975.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense, Department of Defense,
The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: On Tuesday, July 29th, our Subcommittee on Education and Training will begin hearings on H.R. 8406 and related bills. I am enclosing a copy of H.R. 8406 for your information.

Should the Department of Defense desire to testify or present a statement for the record, we would appreciate your notifying the Clerk of our Committee prior to the hearing date.

Sincerely,

RAY ROBERTS,
Chairman.

[H.R. 8406, 94th Cong., 1st sess.]

A BILL To amend title 38 of the United States Code in order to set a termination date for veterans' educational benefits under chapters 34 and 36 of such title, to extend the maximum educational benefits to forty-five months under chapter 34 of such title, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1652(a)(1) of title 38, United States Code, is amended to read as follows—

"(a)(1) The term 'eligible veteran' means any veteran who (A) served on active duty for a period of more than 180 days any part of which occurred after January 31, 1955, and before September 1, 1975, and who was discharged or released therefrom under conditions other than dishonorable; or (B) was discharged or released from active duty, any part of which was performed after January 31, 1955, and before September 1, 1975, because of a service-connected disability.".

SEC. 2. Section 1661 of title 38, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) Except as provided in subsection (c) and in the second sentence of this subsection, each eligible veteran shall be entitled to educational assistance under this chapter or chapter 36 for a period of one and one-half months (or the equivalent thereof in part-time educational assistance) for each month or fraction thereof of his service on active duty after January 31, 1955, and before September 1, 1975. If an eligible veteran has served a period of 18 months or more on active duty after January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 45 months (or the equivalent thereof in part-time educational assistance). In the case of any person in the active military service in the Armed Forces on August 31, 1975, the ending date for computing such person's entitlement shall be the date of such person's first discharge or release after August 31, 1975."; and

(2) by amending subsection (c) thereof to read as follows:

"(c) Except as provided in subsection (b) and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of forty-five months.".

SEC. 3. Section 1662 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) In no event shall educational assistance be afforded to any eligible veteran under this chapter or chapter 36 of this title after August 31, 1985.".

SEC. 4. (a) Subchapter VI of chapter 34 of title 38, United States Code, is repealed.

(b) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended by striking out the following:

"SUBCHAPTER VI—PREDISCHARGE EDUCATION PROGRAM

"1695. Purpose; definition.
"1696. Payment of educational assistance allowance.
"1697. Educational and vocational guidance.
"1697A. Coordination with and participation by Department of Defense.".

(c) Notwithstanding the provisions of subsection (a) of this section, any eligible person enrolled in and pursuing a course or courses under the provisions of subchapter VI of title 38, United States Code, on the day before the effective date of this Act, shall be permitted to continue to pursue such course or courses through the end of the period for which he is enrolled.

SEC. 5. Section 1818(a) of title 38, United States Code, is amended to read as follows:

"(a) Each person who served on actve duty, any part of which occurred after January 31, 1955, and who—

"(1) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable;

(2) has served more than 180 day in an active duty status and continues on actve duty without a break therein; or

"(3) was discharged or released from active duty after such date for a service-connected disability;

shall be eligible for the benefits of this chapter, subject to the provisions of this section.".

BILLS CONSIDERED, BY NUMBER, IN ADDITION TO H.R. 2000, H.R. 6806, H.R. 7726, AND H.R. 8406

H.R. 293, 314, 495, 748, 1028, 1122, 1954, 2456, 2791, 2993, 3248, 3338, 3475, 3484, 3563, 4066, 4106, 4620, 4852, 5020, 5507, 5549, 5558, 5573, 5599, 5824, 5895, 5896, 6070, 6190, 6736, 6999, 7356, 7470, 8464.

Mr. MOTTL. Hearing no objection, the administration bill, H.R. 7726, which was introduced by Mr. Roberts and Mr. Hammerschmidt on June 9, will be inserted in the record.

On May 7, 1975, the distinguished chairman of the full committee, Mr. Roberts, introduced for himself and 23 other members of the committee, H.R. 6806, a bill to terminate the Vietnam-era period of war for purposes of the veterans' laws, and for other purposes, and on July 8, the distinguished chairman of the subcommittee, Mr. Teague of Texas, introduced H.R. 8406, a bill that would accomplish the following:

(1) Set a termination date of August 31, 1975, for veterans' educational benefits under chapters 34 and 36;

(2) Extend the maximum educational benefits to 45 months under chapter 34;

(3) Provide for continuation of the VA housing program; and

(4) Terminate the prep program under chapter 34.

The hearing today will deal with the subject matter of these and related bills.

Without objection, we will place in the record following the President's communication of May 7, the bills and administration reports pertaining to the subject matter and such other relevant material as may be agreed upon during our proceedings.

A number of witnesses have asked to be heard and others have asked permission to file statements. Without objection, those statements filed prior to the close of business July 31, 1975, will be included in the record.

I am very pleased to welcome our first witness this morning, the distinguished Chief Benefits Director of the Veterans' Administration, Mr. Rufus Wilson.

Mr. Wilson, will you and your associates proceed to the witness table, and if you will, please introduce those who are accompanying you this morning.

STATEMENT OF RUFUS H. WILSON, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION, ACCOMPANIED BY WILLIAM G. MALONE, ACTING ASSISTANT GENERAL COUNSEL; CLARENCE G. GREENLAND, DIRECTOR, BUDGET STAFF; AND ANDREW H. THORNTON, DIRECTOR, EDUCATION AND REHABILITATION SERVICE

Mr. WILSON. Thank you, Mr. Chairman. On my right, Mr. Chairman, is the Acting Assistant General Counsel, Mr. William G. Malone. On my left is the Director of Education and Rehabilitation Service of the Veterans's Administration, Mr. Andrew H. Thornton.

I am also accompanied by Mr. A. J. Bochicchio, Area Field Director; Miss June Schaeffer, Assistant Deputy Director for Policy and Projects, Education and Rehabilitation Service; Mr. John P. Travers, Director, Veterans Assistance Service; and Mr. Clarence G. Greenland, Director, Budget Staff Director.

Mr. Chairman, we are pleased to have the opportunity to appear before you and to present the views of the Veterans' Administration on H.R. 8406, 94th Congress, a bill relating to GI bill education and loan guaranty benefits.

H.R. 8406 has four basic purposes: It would (1) provide 45 months of educational entitlement to many veterans training under the GI bill; (2) terminate the GI bill education program for individuals entering military service after August 31, 1975; (3) terminate the current predischarge education program (PREP); and (4) continue the present loan guaranty program.

Mr. Chairman, the loan guaranty aspects of this bill will be the subject of our testimony before the Subcommittee on Housing tomorrow. Therefore, I will not go into this phase of the bill at this time.

Turning first to the question of additional entitlement, we would point out that there has always been a statutory limit on the number of months of entitlement available to veterans.

Under the World War II GI bill program, a veteran who served on active duty for a period of 90 days or more, and who was discharged or released under conditions other than dishonorable, was granted entitlement to 1 year of educational benefits, plus the time he was in active service between September 16, 1950, and July 25, 1947. A maximum of 4 years of benefits was also set.

In enacting the Korean conflict GI bill program, the Congress granted veterans 1½ months of benefits for each month of active duty service, with a maximum of 36 months of entitlement.

At the time the original law setting up the current program was enacted in 1966, the Congress provided 1 month of assistance for each month of active duty service for veterans serving after January 31, 1955.

Again, a 36-month maximum was voted. Entitlement was subsequently increased to the Korean-type measurement of 1½ for 1, but the 36-month limit remained unchanged.

Under current law, a veteran who serves on continuous active duty for 18 months or more receives 36 months of entitlement, an extra benefit not available to Korean veterans.

A period of 36 months provides sufficient time to complete vocational programs or a 4-year college program, in most instances. To meet special needs, provisions have been added to the law in recent years which have the effect of providing certain educational benefits to veterans without charge to their entitlement.

For example, veterans who do not have a high school diploma, or who need refresher, or remedial, or deficiency courses to qualify for enrollement in an appropriate educational institution, may receive monetary benefits while pursuing such courses—without charge to entitlement.

In addition, where a veteran's entitlement runs out while he is enrolled in a program of education, he is permitted to continue in that program for an additional limited period of time.

In Public Law 93–508, the Congress added a provision permitting an eligible veteran who is entitled to 36 months of educational assistance, but who has not attained his standard undergraduate college degree, up to 9 additional months of benefits for the pursuit of such a degree program.

58-489—75——3

Thus, in these special circumstances, veterans may currently receive benefits for more than 36 months.

As a general matter, however, it is our view that 36 months of entitlement for veterans is reasonable and equitable since it permits the individual to attend 4 years of college, based on actual semester attendance of about 9 months each, or to attend a program of education not leading to a college degree for 3 full years.

We believe that current law provides sufficient entitlement for veterans who are seriously concerned with pursuing their programs of education or training.

We therefore oppose the enactment of this section of H.R. 8406, as well as proposals made in H.R. 2000, 94th Congress, and other similar bills, currently pending before your committee.

Mr. Chairman, I would now like to turn to those provisions of H.R. 8406 which pertain to termination of the current GI bill program.

As you know, the President proposed terminating the eligibility period for GI bill education and training benefits in his statement of May 7, 1975, concerning termination of the Vietnam era for certain wartime benefits.

Such a measure follows similar action in ending GI bill education programs for World War II and Korean conflict veterans. We believe it makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the all-volunteer Armed Forces.

The educational assistance programs for World War II and Korean conflict veterans, as well as those eligible under current law, have all been readjustment programs designed to help veterans to adjust from military to civilian life by affording them monetary aid to obtain an educational status they might normally have aspired to and obtained had they not served their country in wartime or national emergency.

It was not contemplated that educational assistance was to be a continuing benefit.

The World War II veteran was eligible only if he was on active duty by July 25, 1947, the official ending date for World War II. He had 4 years from the date of his separation from the service in which to commence his program of education and was allowed a period of 9 years from separation to use his entitlement.

A final termination date of July 25, 1956 was set for the majority of World War II veterans.

Korean veterans had 3 years following separation from service in which to commence, and 8 years from the date of such discharge in which to complete, their programs of education. A final termination date of January 31, 1965, was set beyond which no benefits were permitted under that program.

Public Law 89-358, the Veterans' Readjustment Benefits Act of 1966, established a program of educational assistance for eligible veterans who served on active duty with the Armed Forces after January 31, 1955.

We believe that with the signing of the cease-fire agreement and implementing protocols of January 27, 1973, which ended our involvement in hostilities in Vietnam, it is appropriate to terminate the current educational readjustment program.

Under H.R. 8406, any individual entering military service on and after September 1, 1975, would be barred from accruing any entitlement to educational benefits under the GI bill.

Those individuals in military service on August 31, 1975, would be permitted to accrue and utilize entitlement to educational benefits provided under current law until August 31, 1985, at which time the program would be finally ended.

When we sent your committee our report dated July 15, 1975, on a related bill, H.R. 6806, we enclosed a draft bill which we recommend be given favorable consideration by the committee (see your committee print number 37).

While similar to H.R. 8406, in some respects, it contains recommendations by the Department of Defense concerning the effective date of GI bill eligibility termination and entitlement of persons who enlist under the Department's delayed entry program (DEP).

We have been informed by the Department of Defense that a specific termination date could create inequities and violate implied commitment of GI bill benefits to individuals who have enlisted in the DEP.

This is a program under which individuals contract to enter the military services, are immediately enlisted in a reserve unit, and are required to go on active duty within 9 months.

The Department of Defense recommended a new termination date which would provide sufficient time to alter extensive advertising and recruiting programs. They also urged that GI bill benefits be available to these individuals who enlist under the delayed entry program prior to the termination date, but do not go on active duty until after the termination date.

The Veterans' Administration has no objection to these suggestions and reflected them in our substitute draft bill. We proposed that the termination date for the GI bill program be set as the first day of the second calendar month following the date of enactment; that GI bill benefits be provided or those individuals who enlist in DEP prior to the termination date, but do not go on active duty until after such date, and that protection be provided for those individuals who enlist in DEP but who are discharged or released from active duty performed pursuant to such an enlistment because of a service-connected disability.

We further proposed to set 10 years from the first day of the second calendar month following the date of enactment as the final date beyond which no individual may receive GI bill benefits.

Adoption of these recommendations would, we believe, give the Department of Defense ample lead time which they need in connection with their enlistment programs and also provide benefits for those who sign up under DEP.

We understand that, as of the present date, over 60,000 men and women have enlisted in the delayed entry program, have been sworn into the Reserve, and have committed themselves to 6 years total military service, of which at least 3 years will be on active duty.

If the GI bill program were to be terminated September 1, 1975, as provided in H.R. 8406, these persons would not be eligible.

Many of these men and women have enlisted in anticipation of receiving GI bill benefits provided by current law. If they are not af-

forded these benefits, the Defense Department will have violated their advertised incentive and, at least it could be argued, would be obligated to release them from their active duty commitment.

Department of Defense surveys, we are told, indicate that if releases were granted they could run as high as 30 percent of the enlistees, concentrated among those with the best qualifications.

Thus, we favor the provisions in H.R. 8406 which would provide for termination of the GI bill education program, but urge your committee to give favorable consideration to the proposals in the substitute draft bill which we have recommended.

The final provision of H.R. 8406 on which we would like to comment today is the one terminating the PREP program effective upon enactment of the bill, but preserving the right of those individuals pursuing PREP programs on the date of enactment to continue through the end of the program in which enrolled.

The PREP program was established by Public Law 91-219, effective March 26, 1970, and was designed to assist servicemen and women to prepare for their future education, training or vocation by providing them with the opportunity to enroll in and pursue a program of education or training prior to their discharge from active duty in the Armed Forces.

The program is coordinated by the Veterans' Administration and the Department of Defense.

The Department of Defense currently acquires its personnel needs through an all-volunteer enlistment program. To attract qualified men and women into this military force, the military services recognize that they must provide effective inducements, among which educational opportunity is one of the most attractive.

Extensive educational training programs have been developed by the Department of Defense as a means of recruitment and retention of sufficient, qualified individuals.

It is our view that there no longer is a need for PREP. The educational programs developed by the Department of Defense, which are available to those individuals who are in the military service, range from vocational training through graduate work.

These Department of Defense programs can provide the means for obtaining high school diploma completion and/or remedial education, as required. For these reasons, we favor amending our draft bill to add that section of H.R. 8406 which would terminate the PREP program.

We wish to emphasize that enactment of our proposal, as well as H.R. 8406, would have no effect on our vocational rehabilitation program under which veterans who are disabled because of a service-connected disability are furnished vocational rehabilitation.

In summary, the Veterans' Administration favors termination of the current GI bill education program as proposed in our draft bill and explained earlier in my statement.

We favor termination of the PREP program with the savings provision protecting the right of individuals currently enrolled to continue their programs through the period in which enrolled.

And we are opposed to the provision of the measure which would grant 45 months of entitlement to veterans.

Mr. Chairman, that completes my presentation. My associates and I will be pleased to respond to any questions you may have.

Mr. WOLFF (acting chairman). Thank you very much. It is also good to see you again.

Mr. WILSON. It is good to see you, sir.

Mr. MOTTL. The agency estimated the cost of extension at $70 million for the first year. Is this your current estimate?

Mr. WILSON. No, sir, it is not. That estimate was based upon the enrollees that were predicted, as I recall, as of September 1 of last year. I think it was a very low estimate, because we have had a great upsurge, as you know, sir, in GI bill enrollment and we are predicting more for this fall.

We are now estimating the first year costs to be $361 million so that was a gross underestimation.

Mr. MOTTL. Thank you.

Mr. WOLFF. Mr. Wylie?

Mr. WYLIE. Mr. Wilson, as you may or may not know, Ohio State University is located in the congressional district which I represent. Among other things, it is the largest university in the United States in one campus and has one of the largest graduate schools in the United States.

The question that I am frequently asked is why do we allow an extra 9 months for undergraduate students to pursue their GI educational benefits program and not graduate students?

You referred to that on page 3 of your testimony and indicated that the Veterans' Administration has taken the position against the granting of an additional 9 months to pursue graduate degrees.

Would you explain what is apparently an inconsistency to me? Why should we allow 45 months for the undergraduate student and not allow 45 months to the graduate student?

Mr. WILSON. Going back into the history of the Korean GI bill and later on, the Vietnam era GI bill, it had been concluded both by the executive branch and the congressional branch, that 36 months was sufficient.

Last year, as I recall, in the consideration of various programs by this committee and by the corresponding committee on the Senate side, it was determined that the 9 months ought to be added to the then 36 months for undergraduate study.

This was enacted by the Congress, and was not an administration proposal. This current proposal to increase the 36 months to 45 months for graduate study is also, of course, not an administrative initiative.

Quite frankly, Mr. Congressman, that is because we think the 36 months is sufficient. We think the additional 9 months, of course, would be helpful to some people, but in these days of restraint and of trying to pull in the reins on some of the governmental expenditures, we just do not think it is a timely move at this point in time.

I have to add again, and repeat again, that we think 36 months is a generous act on behalf of the Congress.

Mr. WYLIE. What you are saying then is the administration proposed the extension of 9 months for all college students in the first instance?

Mr. WILSON. No, sir; that is not correct. The bill that was finally passed by the Congress did, however, contain the limitation restricting the additional entitlement to undergraduate work.

I am reminded that the bill was vetoed and then passed over the veto by the Congress.

Mr. WYLIE. Given the fact that there has been an extension from 36 to 45 months for individuals who attend as undergraduates in the 4-year college, don't you think it is inconsistent not to allow the graduate student to have that privilege?

It is a fact, it is the law that undergraduate students have 45 months during which time they can use their GI educational benefits.

Mr. WILSON. I would have to say, sir, that it certainly appears to be inconsistent but the administration position is not inconsistent in that the administration opposed the other position. It would be up to the Congress, I suppose, to determine whether or not they think it is inconsistent.

Mr. WYLIE. Do you know if ever during the deliberations of the conference committee a change was made in the congressional committee, of which I was a member, to exclude graduate students?

Do you know if a cost estimate was ever made as to how much we might have been talking about in educational benefits?

Mr. WILSON. I might ask one of my associates, Mr. Greenland?

Mr. GREENLAND. We may have, but I do not think we did.

Mr. WYLIE. I am thinking in terms of the medical student, the professional student, the dentist, the student who is in optometry, professional schools, really, who have to take more than the 45 months or 36 months, to get their degree. I know a lot of instances like that.

I think there might be somewhere in the neighborhood of 1,200 graduate students who could qualify for a few additional months of GI educational benefits right now, which is a rather substantial number. I cannot think of any other questions right now.

Mr. WOLFF. Mr. Wilson, could you tell us, do you have any idea what the current unemployment rate is in this country today?

Mr. WILSON. It varies, as you know, Mr. Wolff, in various parts of the country.

Mr. WOLFF. I believe, just to refresh your memory, it is somewhere about ten percent.

Mr. WILSON. Yes, sir.

Mr. WOLFF. Can you tell us what the rate of unemployment is for Vietnam veterans? Do you have that figure?

Mr. WILSON. We have it, sir, and I can supply it for the record. I do not recall it at the moment, but it is higher than the normal.

Mr. WOLFF. As I understand it, it is somewhere around 20 percent or double what the normal rate of unemployment is in the country?

Mr. WILSON. I think that is of the veteran who is 20 to 24 years old, Mr. Chairman.

Mr. WOLFF. Right, but let us also mention the minority veterans of Vietnam. I understand the unemployment figure for these veterans is even greater, and it is about double what the normal figure is for unemployment for Vietnam veterans?

Mr. WILSON. I do not recall the exact figure, sir.

Mr. WOLFF. I wonder if you could furnish that for the record?

Mr. WILSON. Yes, sir.

[The material referred to follows:]

As of June 1975, unemployment rate (ages 20–34) for:
Vietnam Era Veterans is 9.7% (seasonally adjusted).
Minority Veterans is 15.4% (not seasonally adjusted).

Mr. WOLFF. The administration position is not generally supportive of employment efforts. As I recall it, the veterans employment bill was vetoed by the President, and I understand the administration might take the position that anything that provides employment is secondary to stopping the inflationary spiral that we have.

Therefore, the administration contends that we should not be spending the money. The important element, however, is that basically, what was the reason for the GI bill in the first place, so far as educational benefits were concerned?

Mr. WILSON. The original reason, Mr. Chairman, as I recall it, was to give a man an opportunity to obtain that education, that he would have pursued had he not gone into military service.

Mr. WOLFF. And also to prepare him better for the job market that existed in the professional area of competence that prevailed at the time he was involved in military service and therefore denied access to job opportunities and advancement.

Mr. WILSON. I would think that would be inherent in it, sir.

Mr. WOLFF. Are you aware of the educational requirements for jobs that are required today in the general job market, the fact that today an undergraduate degree is, in many cases, insufficient for an individual to obtain a job?

I believe that the objection you have to the question of permitting this 45 months of entitlement to be available to graduate student veterans is discriminatory against the veteran, against someone who has put in time in the military service, which has put him at a disadvantage with those who have not served in the military because they had the opportunity to go to school and acquire the skills needed in today's job market.

I want to let you know that I put in a bill last year, H.R. 7355, which was the first bill granting 45 months of entitlement to graduate student vets, as well as undergrad—I am really appalled at the fact that the administration would not permit these young men to go on to graduate school to prepare them better for the market that exists today, even the slim market that exists today.

One of the basic aspects of this proposal is the return to government of more qualified people; the tax dollars accruing to the government as a result of the expenditures that have been conveyed for education far outweigh the investment that we would make in providing educational opportunity for the veteran.

Therefore, I would say, I strongly favor the idea that is in the committee bill of permitting these men to continue their education so that they can become increased taxpayers to this Nation, and take a better role in society.

I would ask you to reconsider also the idea of discriminating against a certain segment of veterans who have had the opportunity of going to school for only 1 year or 2; I am opposed, again, to the administration position of limiting their education to 36 months instead of the 45 months.

Mr. WILSON. Without being argumentative about it, Mr. Chairman, I want to recall that the GI bills in their entirety, the World War II bill, the Korean bill and the current bill have all been called veterans assistance programs. They were never intended to be full educational scholarship services so to speak.

Mr. WOLFF. Maybe we have had a deficiency and maybe we owe a little bit more to the veteran who has served and made a commitment than we have given in the past. This government has not given the full commitment to the veterans; it has not given the full commitment to the man who went to Vietnam in the first place.

This is one of my objections to the Vietnam war in the first place. This Government never made the full commitment to those men who were asked to make the full commitment themselves. I think there should be a change in policy by both the administration and by the Government in general in their attitude toward the veteran.

Perhaps it was not necessary in the past to provide the same degree or application that is necessary to provide today. We are in different circumstances than existed after the Korean war or after World War II, or even after World War I.

We are in circumstances where we—I do not know what you want to call it—a depression, recession—we have inflation, we have unemployment, we have a combination of circumstances that face these men, and it is the responsibility of this Government to see to it that they are taken care of to the utmost of our ability.

Mr. Wylie?

Mr. WYLIE. Mr. Chairman, I would like amend your statement just a little bit. I think I heard you say that you introduced the first bill to amend the law so that graduate students would be entitled for 45 months?

Mr. WOLFF. You did?

Mr. WYLIE. Yes. My bill is H.R. 2000.

Mr. WOLFF. I yield to the gentleman not to get in a controversy with you except, I will remind him of the fact that I did put it in during the last session.

Mr. WYLIE. I did not mean to be presumptuous Mr. Chairman. This way we can both get in on it. Shortly after Ohio State went into session back in January, it was called to my attention that there were a number of graduate students who would not be able to resume the GI bill educational benefits, whereas their undergraduate counterparts could get an additional 9 months.

I came over and saw the chairman and Mr. Hammerschmidt about it and the three of us agreed to put in the bill which is H.R. 2000. You have spoken to H.R. 2000, of course, Mr. Wolff.

My question really is this. You are in favor of the bill before us by Mr. Teague and several others who cosponsored it, that would terminate the GI educational benefits program as of, I think, September 1 of this year. Do you favor that bill?

Mr. WILSON. No, sir. We have changed our position to accommodate the Department of Defense recommendation that it be the first day of the second calendar month following enactment. Our draft bill that was sent over and the bill that was introduced did have the September 1 date on it as I remember.

However, because DOD has recruited a certain number of people into a special program where they do not really enter into active duty for something up to 9 months and because they have had certain recruitment and advertising programs, where they have made implied commitments that people would be entitled to the GI bill, we have tried

to incorporate their views and our views together and so it would be the first day of the second calendar month following enactment.

Mr. WYLIE. You favor the termination of the program?

Mr. WILSON. Yes, sir.

Mr. WYLIE. That was my main question. Have you made any projection as to the cost savings, if I may use that phrase, which would be realized following the termination of the GI educational benefits bill?

Mr. WILSON. Yes, sir. The first year, there would be only a limited number of savings. $19.3 million is our prediction. During the transition period of the 3 months, that would start the next fiscal year, next summer, there would be a savings of $8.5 million.

In fiscal year 1977, it would be $111 million, $252 million the next year, $442 million the next year, $671 million and a 5-year savings of $1,506 million.

Mr. WYLIE. $1,506 million, OK. What is wrong—you are talking about saving money and the cost of administering the veterans program. What would be wrong with converting some of that savings to pay for this 9-month extension for the graduate students?

Mr. WILSON. I would just have to——

Mr. WYLIE. There would be a net saving, that is what I am trying to say. If the two bills were passed, there would be a net savings of $1.3 billion, according to your figures.

Mr. WILSON. If the GI bill were terminated over 5 years, there would be a saving of $1,506 million. If the 45-month extension takes place through congressional enactment, there would be an expenditure of $683 million.

If you discontinue that, there would be a saving of $147 million and the net effect of the entire proposal that we favor would be a net savings of $970 million. Of course, we do not favor the committee extension of 36 to 45 months, but if that would happen in the Congress' wisdom, then the net effect of the entire bill over 5 years would be saving over 5 years of almost $1 billion.

Mr. WOLFF. Excuse me.

Mr. WYLIE. I just want to follow up. He said the total cost of extension of the 9 months would be about $600 million but in your——

Mr. WILSON. That is in 5 years, sir.

Mr. WYLIE. But in your report in which you say that you are opposed to passage of H.R. 2000, you said that it is estimated that if H.R. 2000 is enacted, it would cost as follows and you wrote, fiscal 5-year period would be $200 million which is considerably different than a $600 million figure you just gave us.

Mr. WILSON. Before you came in, I was asked a question similar to this and I stated that the estimate with respect to H.R. 2000 was based upon the then prediction of the number of trainees that would be taking advantage of this bill as of, and I think the base figure was, September 1 of last year.

I also stated that estimate was no longer valid, that it appears to be a gross underestimate and the first year's costs that we now predict would be $361 million as opposed to the $70 million in that report and the total cost over the 5 years would be $683 million as opposed to what we then reported of $200.7 million.

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I have to say to you, Mr. Congressman; it was, in our opinion, a gross underestimate.

Mr. WYLIE. Did you want to say something?

Mr. WOLFF. You have already elicited the answer.

Mr. WYLIE. All right. What is the difference in the estimated figure which you put in the report and the estimate as to total cost? Do you think more students would be going to graduate school to take advantage of the program?

Mr. WILSON. Yes, sir. That is basic. We think there would be many more students taking advantage of the program than we previously predicted. This comes about for two reasons. It would become more well known that the benefit is available and in addition to that, there are more people taking training than we previously predicted.

We predicted many of those will continue on into graduate study, if this bill were passed. We are now estimating that during the first year in 1976, that 225,714 veterans would take advantage of the graduate study benefit if it were passed into law.

Mr. WYLIE. Would not that be good? I think that would be good. It would be cheaper than having them draw unemployment compensation.

Mr. WILSON. I will tell Mr. Roudebush that you expressed that thought.

Mr. WOLFF. You can also tell him that I care because it seems to me that the position of the VA is to see how few veterans we can get to take advantage of the program rather than to see how many we can get to take advantage of the program.

Mr. WILSON. I would have to respond to that by saying, as you well know, sir, we have made very, very extensive efforts for quite a period of time to get veterans to come into the GI bill program.

Mr. WOLFF. Maybe the program, Mr. Wilson, is such that people cannot afford to be in it. Maybe we have to do what was provided in previous legislation; maybe we have to provide tuition supplements; maybe we have to provide other benefits to these people so that they can participate.

One of the big problems that we do have with veterans is the fact that they cannot afford to participate in our educational program and that is a tragedy.

Mr. WILSON. I need to say, Mr. Chairman, in respect to that, there are more people in the program than either the executive or congressional branch of Government predicted. There are more people going to school under the Vietnam bill than any one, I think, would have predicted a year ago.

Mr. WOLFF. I think that is good. I think we ought to get more people on the program, give you more work to do and keep the people off the unemployment lines and see that we do not have to engage in these massive welfare programs which are killing our country.

Mr. Wylie?

Mr. WYLIE. Thank you.

Mr. WOLFF. I thank you. There is just one more point. You recommend August 31, 1985 as the final termination date. How does this compare with the Korean and World War II termination dates?

Mr. WILSON. I think back in my statement I made reference to that but Mr. Thornton, I think, will respond to that.

Mr. THORNTON. The general date for World War II was 9 years after termination of the war and for the Korean bill, the final date was 10 years after termination of the conflict, or January 31, 1965.

Mr. WOLFF. Thank you very much.

Mr. WILSON. So roughly, it is comparable.

Mr. WOLFF. Thank you, gentlemen. Mr. Wilson, I must say that over the years we have dealt with you, you have done an outstanding job and I compliment you on your work, not only with the administration questions that I put to you based upon your own particular participation but some of the thinking that has gone into the program.

I think we have to be a little bit more compassionate when it comes to these young veterans. They really need help today. I have a steady stream of them coming into my office on a daily basis.

These kids need all of the help they can get. The young Vietnam veterans have massive problems. I have one in my own family. I know you have addressed yourself personally to their problems, and I know the same situation is apparent to others. Thank you very much.

Mr. WILSON. I would just say, Mr. Chairman, that we worked together on a lot of projects and I do not take any of your questions to be personal at all. I apreciate the opportunity to be before the committee. Thank you.

Mr. WOLFF. Thank you. The next witness is Mr. Donald H. Schwab, acting director, national legislative service, Veterans of Foreign Wars of the United States.

Mr. Schwab, in the pressure of time, if we could ask you to summarize your statement, without objection, the full statement will be included in the record. Please understand we are operating under great time pressures today. We want to hear all of the reactions you have but as well, we would like to act with great speed so that we can put behind us not only the testimony but see if we cannot act on the bill.

STATEMENT OF DONALD H. SCHWAB, ACTING DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. SCHWAB. Mr. Chairman, members of the committee, the legislation under consideration today would terminate educational benefits under the GI bill as of either July 1, 1975 or September 1, 1975.

The position of the Veterans of Foreign Wars in this regard is found in the news release of our commander in chief, John J. Stang, of May 7, 1975, captioned "End of Vietnam Era; Continue GI Bill."

The pertinent portion thereof reads as follows:

> **The VFW gives support to continue the education assistance under the GI bill as a valuable inducement to maintain our manpower needs in the Armed Forces. We do believe that the cost of the GI bill should be charged to the Department of Defense as part of the cost of our national security.**

According to recent figures released by the Department of Defense, all services are presently adequately meeting enlistment quotas for an all volunteer force. However, and quite pertinent to the issue, a survey conducted by the Army Testing Service last September revealed one of every four individuals tested indicated that he would not have enlisted had it not been for the availability of GI educational benefits.

When these servicemen were asked to list their three most important reasons for joining the service, 50 percent listed postservice educational benefits.

Also the Department of Defense in national advertising has used the GI bill as a recruiting tool and as recently as July 22, 1975, stated educational benefits are important to recruiting but a very expensive incentive.

It would appear from the foregoing that the Department of Defense likes to dance so long as someone else pays the fiddler. We all know you get what you pay for—if you are both prudent and lucky.

It it takes the GI bill to attract the caliber of personnel needed for a strong national defense, and we believe it does, then the Department of Defense ought to pick up the bill and educate the public as to the real cost of national defense.

After all, DOD would have these personnel for at least 4 years and that is twice as long as the draftees the Veterans' Administration paid full benefits—a real bargain on today's market.

For the reasons stated, the Veterans of Foreign Wars believes the GI bill should be continued with present benefits. To charge the Department of Defense budget henceforth, rather than that of the Veterans' Administration. Thank you.

[Mr. Schwab's statement follows:]

STATEMENT OF DONALD H. SCHWAB, ACTING DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and members of the committee: Thank you for the privilege of presenting to this distinguished Committee the views of the Veterans of Foreign Wars of the United States regarding pending legislation to establish a cut-off date for veterans educational assistance based upon termination of the Vietnam Era.

My name is Donald H. Schwab and my title is Acting Director of the National Legislative Service of the Veterans of Foreign Wars of the United States.

H.R. 6806, introduced by the distinguished Chairman of the full Committee, the Honorable Ray Roberts, and cosponsored by 23 of the other 27 members of the Committee; H.R. 7726, also introduced by Mr. Roberts and cosponsored by the Ranking Minority Member of the full Committee, the Honorable John Paul Hammerschmidt; and H.R. 8406, introduced by the Ranking Member of the full Committee, the Honorable Olin E. Teague; all propose termination of eligibility for educational benefits under the GI Bill, as of either July 1, 1975 or September 1, 1975.

The position of the Veterans of Foreign Wars in this regard is found in the News Release of our Commander-in-Chief, John J. Stang, of May 7, 1975, captioned "End of Vietnam Era; Continue GI Bill." The pertinent portion thereof reads as follows:

". . . the V.F.W. gives support to continue the educational assistance under the GI Bill as a valuable inducement to maintain our manpower needs in the Armed Forces. We do believe that the cost of the GI Bill should be charged to the Department of Defense as part of the cost of our national security."

According to recent figures released by the Department of Defense, all services are presently adequately meeting enlistment quotas for an all volunteer force. However, and quite pertinent to the issue, a survey conducted by the Army Testing Service last September revealed one of every four individuals tested indicated he would not have enlisted had it not been for the availability of GI educational benefits. When these servicemen were asked to list their three most important reasons for joining the service, 50 percent listed post-service educational benefits. Also, the Department of Defense in national advertising has used the GI Bill as a recruiting tool and as recently as July 22, 1975 stated educational benefits are important to recruiting but a very expensive incentive.

It would appear from the foregoing that the Department of Defense likes to dance so long as someone else pays the fiddler. We all know you get what you pay

for—if you are both prudent and lucky. If it takes the GI Bill to attract the caliber of personnel needed for a strong national defense, and we believe it does, then the Department of Defense ought to pick up the bill and educate the public as to the real cost of national defense. After all, DOD would have these personnel for at least four years and that is twice as long as the draftees the Veterans Administration paid full benefits—a real bargain on today's market.

Now, whether the money comes out of the VA budget in wartime or the DOD budget in peacetime or detente matters little for, in the final analysis, it all comes out of the national budget. Moreover, it has been proven for every dollar spent on the GI Bill at least three dollars have returned to the Government in the form of higher taxes paid by those with higher education and, it follows, higher incomes.

For the reasons stated, the Veterans of Foreign Wars believes the GI Bill should be continued with present benefits, but, charged to the Department of Defense budget henceforth rather than that of the Veterans Administration.

Thank you.

Mr. WOLFF. Thank you very much, Mr. Schwab. I am very appreciative of this statement. You veterans of previous wars are the veterans who can accrue of this type of training and certainly are supportive of retraining a strong defensive stature.

The bills that are before us will help to maintain that strong defensive establishment. We thank you very much for your statement. Mr. Wylie?

Mr. WYLIE. Thank you, Mr. Chairman. I looked at the statement which will be submitted by the American Legion and I cannot find the exact reference in the statement that I wanted to refer to but I think I can put it to you—I think the American Legion representative will testify shortly that if the GI educational benefits program is to be made available to veterans of peacetime service, that it should be different than the GI educational benefits program made available to veterans of wartime service.

I understand your position to be that you think the GI educational benefits program should be identical for veterans of peacetime service as that available for veterans of wartime service, except that the Department of Defense should pick up the tab if wartime service is included?

Mr. SCHWAB. The announced position of your commander in chief is that if the GI bill is to continue, and we believe it should continue in its present form, that DOD should pay the bill rather than the Veterans' Administration from whatever cutoff date is established.

Mr. WYLIE. The Department of Defense should administer the program and should pay the bill. If a person signs up for Army service, for example, for 4 years, which is what they have to do at the present time, then at the end of that 4-year period, they would qualify for GI educational benefits just as they had during the Vietnam era?

Mr. SCHWAB. Yes, sir.

Mr. WYLIE. Or the Korean war or World War II, provided the Department of Defense would pay and administer the program?

Mr. SCHWAB. They would pay for the program; yes, sir.

Mr. WYLIE. And administer it?

Mr. SCHWAB. I think it would have to be administered by the VA to have continuity.

Mr. WYLIE. I see.

Mr. SCHWAB. That is my opinion. Our chief did not elaborate on this but I would think they would have to administer it.

Mr. WYLIE. In other words, the Veterans' Administration would continue the program as it is now. They would bill the Department of Defense for their services?

Mr. SCHWAB. Yes, sir.

Mr. WYLIE. Thank you.

Mr. WOLFF. Mr. Schwab, as I recall last year, the question came up of tuition supplements. You did support the idea of tuition supplements, did you not?

Mr. SCHWAB. We supported it at that time, but in order to get the legislation through, we had to drop that position. We did support it.

Mr. WOLFF. Yes. How do you feel about it today?

Mr. SCHWAB. Our position is unchanged, sir.

Mr. WOLFF. I would like to also ask a question about the fact of accelerating payments to veterans so that they would be able to accelerate monthly entitlement reducing the total benefit overall so that some of the blue collar vets and married vets who are unable to afford school now could use their GI benefits.

We would compress the period and make this an alternative. How do you feel about that?

Mr. SCHWAB. Sir, we have no current resolution addressing ourselves to that issue. However, we are having the national convention next month and I have no way of knowing at this point whether or not we will have a resolution to that effect.

Mr. WOLFF. I will urge that you give some consideration to these young people who are, as I say, married and are blue collar workers who are attempting to make use of the GI benefits and perhaps we could afford them the opportunity to accelerate. We thank you very much.

Mr. WYLIE. Have you taken a position on H.R. 2000 and H.R. 7726 which are the bills that would extend the educational entitlements period from 36 to 45 months for graduate students?

Mr. SCHWAB. Yes, sir. At the time legislation was in conference, it became Public Law 93-508, we made a concerted effort that the 9-month extension not be restricted to undergraduate work and that is still our position today. It should not be restricted. We favor the 9-month extension without restriction.

Mr. WYLIE. Thank you. I appreciate that support. On the GI educational benefits entitlement program, the original idea of the program as it was originally enacted and was subsequently implemented and reenacted was to provide educational and vocational readjustment for young men whose career and/or education was interrupted.

Under the all-volunteer Army concept benefits have been greatly increased. How much does a recruit get now, somewhere in the neighborhood of $400 a month, which is not bad compared to $21 we got when I first went in.

Don't you see a difference between the situation that existed during wartime when a young man is drafted and forced to go into the service and now on a voluntary basis.

Mr. SCHWAB. Absolutely. This is why we believe that DOD should pay for GI bill extension. Currently there are, I believe 2.7 million people enrolled under the GI bill and that is more than the standing Army is.

Their own survey said that a quarter of them join for the benefits.

Mr. WYLIE. One-fourth of all of those recruiters of Armed Forces joined because they thought they were going to get the GI benefit at the end of 4 years?

Mr. SCHWAB. Yes, sir.

Mr. WYLIE. I know they are getting the benefits but that is an interesting figure.

Mr. SCHWAB. One out of four said this is why I enlisted. A further survey indicated that among the top three reasons for enlisting half of them named the GI bill.

Mr. WYLIE. It is not really necessary to recruit now, is it? As I understand it, all the Armed Forces have a waiting list. I know that is true of the central Ohio area.

Mr. WOLFF. If the gentleman will yield? There are reasons. There is unemployment and there is opportunity in the service.

Mr. WYLIE. For whatever reasons, we have been extending benefits. The point I wanted to make is if we continue the GI educational benefits program, regardless of who pays it, it is a diversion from what we are going to have as far as the GI educational program has been.

Mr. SCHWAB. Absolutely.

Mr. WYLIE. Thank you very much.

Mr. WOLFF. Thank you very much, Mr. Schwab. We appreciate your coming before us here today.

Mr. SCHWAB. Thank you.

Mr. WOLFF. Our next witness is from the American Legion, Mr. Mylio S. Kraja, director of the national legislative commission, accompanied by Mr. Robert E. Lyngh. It is very good to have you gentlemen before us.

May I ask with the same degree of sincerity for you to offer your complete statement for the record and summarize, if you will.

[The statement follows:]

STATEMENT OF MYLIO S. KRAJA, DIRECTOR NATIONAL LEGISLATIVE COMMISSION AND ROBERT E. LYNGH, DEPUTY DIRECTOR NATIONAL VETERANS AFFAIRS AND ECONOMIC DIVISION

Mr. Chairman and members of the subcommittee, thank you on behalf of The American Legion for the opportunity to appear before your distinguished Subcommittee to set forth our views and recommendations on terminating prospectively wartime readjustment benefits for peacetime veterans, and for other purposes.

With me this morning is Mr. Robert E. Lyngh, Deputy Director of our National Veterans Affairs and Rehabilitation and Economic Division. Mr. Lyngh is prepared to either read or summarize his statement.

STATEMENT OF ROBERT E. LYNGH, DEPUTY DIRECTOR NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION OF THE AMERICAN LEGION

Mr. Chairman and members of the subcommittee, the American Legion is appreciative of the opportunity to present comment on H.R. 8406, which the Subcommittee has under consideration.

The purpose of H.R. 8406 is to amend title 38, United States Code, in order to set a termination date for veterans' educational benefits under chapters 34 and 37 of such title, and to extend the maximum educational benefits to forty-five months without restriction under chapter 34 of such title, and for other purposes.

The bill specifically provides that entitlement to benefits under chapter 34 of title 38 shall be based on active service of more than 180 days, any part of which occurred after January 31, 1955, and before September 1, 1975. The introduction of this bill responds to the Proclamation of the President of May 7, 1975, establishing that date as the termination date of the Vietnam era.

In consideration of the development of events commencing with the execution on January 27, 1973 of the "Agreement on Ending the War and Restoring the Peace in Vietnam," by the United States and other participants in the Vietnam war, The American Legion, at its National Convention in August, 1974, adopted Resolutions Number 541 and 542. Resolution Number 542 urged the President to issue a proclamation fixing the termination date of the Vietnam era for the purpose of certain veterans benefits. The intent of Resolution Number 542 was accomplished by the Presidential Proclamation of May 7, 1975.

Resolution Number 541, mandated The American Legion to "sponsor and support legislation to amend 38 USC, chapter 34, so as to provide that the term 'eligible veteran' means any veteran who served on active duty for more than 180 days, any part of which occurred during the period after January 31, 1955 and ending on such date as Presidential proclamation or concurrent resolution of the Congress fixes the date of termination of the 'Vietnam era'."

To support the intent of Resolution Number 541, as quoted above, the language of the Resolution further stated: "the purpose of veterans' educational assistance under the original and subsequent GI bills was to provide vocational readjustment and restore lost educational opportunities to those servicemen and women whose careers were interrupted or impeded by reason of active duty during a period of war or declared hostilities or aiding such persons in attaining the vocational and educational status which they might normally have aspired to and obtained had they not served under such conditions."

The above-quoted language from Resolution Number 541 has characterized the approach of The American Legion to the subject of veterans' education and vocational rehabilitation programs since a Committee of American Legionnaires drafted the language of the first G.I. Bill in 1944, while World War II was in progress. It is significant to note that prior to the enactment of the original G.I. Bill there had never been such a concept of veterans rehabilitation to include, for all veterans, not just those who had been disabled in service, programs of higher education and of vocational rehabilitation. The concept, as defined in our Resolution Number 541, has been pursued by Congress to the end of providing special programs for the veterans who have served the nation in subsequent wars and national emergency. It is by now well established that the benefits to the nation of these programs are incalculable. The American Legion is proud to have played a part in the development of this progressive and beneficial concept looking to the effective rehabilitation of those men and women who have carried the main burden of the execution of the national policy of the United States in international affairs.

Those who participated in the development of this new concept of veterans rehabilitation had very clearly in mind what it was that they desired to accomplish. To repeat, their goal was to provide for the effective rehabilitation of those who fought the nation's wars. This was a concept, limited in its dimensions, and The American Legion has not deviated from it through the ensuing years and the transpiration of events.

We are aware that proposals have been put forward to continue the educational and vocational training programs for service personnel into the peacetime era. The American Legion has no essential quarrel with such proposals, with one very important stipulation. In our judgment, any educational and vocational programs that may be devised for members of the peacetime military establishment should be clearly differentiated from wartime benefits.

The motives of those who choose to serve in the Armed Forces during time of peace are very different from those who volunteer, or who are called to service in wartime. And these differences are accentuated when, for the first time in 35 years, the United States has chosen to place its peacetime reliance on an all-volunteer military establishment. That being so, in our judgment, the basis for the development of post-service programs of education and training is essentially different from that which governs the development of wartime programs. It would appear that the provision of peacetime programs of education and training are mainly intended to enhance the recruiting efforts of the Services. The wartime programs, on the other hand, are precisely what they are described to be in law—rehabilitation programs.

Whether Congress, in its wisdom, chooses to provide continuing programs of education and training for ex-service personnel in the peacetime era upon which we are now entering, is a matter to which I do not address myself at this time—with one important proviso; in any such schedule of peacetime programs, a very clear differentiation should be made to insure that they are not equated with the benefits provided in chapter 34 of title 38.

On this basis, The American Legion supports the provision of section 1 of H.R. 8406, setting a delimiting date of September 1, 1975 for entitlement to benefits under chapter 34 of title 38 USC.

Section 2 of H.R. 8406 provides that "If an eligible veteran has served a period of 18 months or more on active duty after January 31, 1955 and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 45 months (or the equivalent thereof in part-time educational assistance)."

When the legislation that became Public Law 93-508, The Vietnam Era Veterans' Readjustment Assistance Act of 1974, was under consideration in the 93rd Congress, The American Legion objected to the wording of section 202(1) of that Act, authorizing training for an additional number of months, not exceeding nine "as may be utilized in pursuit of a program of education leading to a standard undergraduate college degree." The quotation here used is from the text of the law. While legislature action on Public Law 93-508 was still in progress, the National Executive Committee of The American Legion, at its regular meeting in October, 1974, adopted Resolution No. 17. In Resolution No. 17, The National Executive Committee used the following language: "the resolution is inequitable and unfair when considered in the basis of equal benefits for equal service." The Resolution further stated: "The American Legion is committed to the concept of equal benefits for equal service." And on that basis, we sought the elimination of the restriction of the additional months of training eligibility, beyond 36 months to undergraduate study. What I have now stated, continues to be the policy of The American Legion with reference to this matter. Accordingly, the language of section 2 of H.R. 8406 is, in our judgment an improvement on the language of Public Law 93-508, and we urge its retention in the bill now under consideration.

Mr. Chairman and Members of the Subcommittee, the above presentation leads me to the conclusion, respectfully submitted, that The American Legion approves of the intent and the language of H.R. 8406, as good and necessary legislation, and we hope for favorable action by the Congress.

Thank you again for the opportunity to appear today.

STATEMENT OF MYLIO S. KRAJA, DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION, ACCOMPANIED BY ROBERT E. LYNCH, DEPUTY DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION AND ECONOMIC DIVISION

Mr. KRAJA. Yes, Mr. Chairman. We will summarize as nearly as possible. However, the essence of our statement is relatively brief. I can complete it in less than 10 minutes.

Mr. WOLFF. Very good.

Mr. KRAJA. The introduction of H.R. 8406 in response to the proclamation of the President on May 7, 1975, establishing that date as the termination date of the Vietnam era, the American Legion position is as stated.

We recommend the amendment of title 38, United States Code, in order to set a termination date for veterans' educational benefits under chapters 34 and 37 of such title, and to extend the maximum educational benefits to 45 months without restriction under chapter 34 of such title and for other purposes.

Resolution No. 541, mandated the American Legion to:

* * * Sponsor and support legislation to amend 38 USC, chapter 34, so as to provide that the term "eligible veteran" means any veteran who served on active duty for more than 180 days, any part of which occurred during the period after January 31, 1955, and ending on such date as a Presidential proclamation or concurrent resolution of the Congress fixes the date of termination of the "Vietnam era."

To support the intent of Resolution No. 541, as quoted above, the language of the resolution further stated:

> * * * the purpose of veterans' educational assistance under the original and subsequent GI bill was to provide vocational readjustment and restore lost educational opportunities to those servicemen and women whose careers were interrupted or impeded by reason of active duty during a period of war or declared hostilities or aiding such persons in attaining the vocational status which they might normally have aspired to and obtained had they not served under such conditions.

The above-quoted language from Resolution No. 541 has characterized the approach of the American Legion to the subject of veterans' education and vocational rehabilitation programs since a committee of American Legionnaires drafted the language of the first GI bill in 1944, while World War II was in progress.

It is significant to note that prior to the enactment of the original GI bill of there had never been such a concept of veterans rehabilitation to include, for all veterans, not just those who had been disabled in service, programs of higher education and of vocational rehabilitation.

The concept, as defined in our Resolution 541, has been pursued by Congress to the end of providing special programs for the veterans who have served the Nation in subsequent wars and national emergency.

It is by now established that the benefits to the Nation of these programs are incalculable. The American Legion is proud to have played a part in the development of this progressive and beneficial concept looking to the effective rehabilitation of those men and women who have carried the main burden of the execution of the national policy of the United States in international affairs.

Those who participated in the development of this new concept of veterans rehabilitation had very clearly in mind what it was that they desired to accomplish.

To repeat, their goal was to accomplish the effective rehabilitation of those who fought the Nation's wars. This was a concept, limited in its dimensions and the American Legion has not deviated from it through the ensuing years and the transpiration of events.

We are aware that proposals have been put forward to continue the educational and vocational training programs for service personnel into the peacetime era. The American Legion has no essential quarrel with such proposals, with one very important stipulation.

In our judgment, any educational and vocational programs that may be devised for members of the peacetime Military Establishment should be clearly differentiated from wartime benefits.

The motives of those who choose to serve in the Armed Forces during time of peace are very different from those who volunteer, or who are called to service in wartime.

And these differences are accentuated when, for the first time in 35 years, the United States has chosen to place its peacetime reliance on all-volunteer Military Establishment.

That being so, in our judgment, the basis for the development of postservice programs of education and training is essentially different from that which governs the development of wartime programs.

It would appear that the provision of peacetime programs of education and training are mainly intended to enhance the recruiting ef-

forts of the services. The wartime programs, on the other hand, are precisely what they are described to be in law—rehabilitation programs.

Whether Congress, in its wisdom, chooses to provide continuing programs of education and training for ex-service personnel in the peacetime era upon which we are now entering, is a matter to which I do not address myself at this time—with one important proviso; in any such schedule of peacetime programs, a very clear differentiation should be made to insure that they are not equated with the benefits provided in chapter 34 of title 38.

On this basis, the American Legion supports the provision of section 1 of H.R. 8406, setting a delimiting date of September 1, 1975 for entitlement to benefits under chapter 34 of title 38 United States Code.

Section 2 of H.R. 8406 provides that:

> If an eligible veteran has served a period of 18 months or more on active duty after January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 45 months, or the equivalent thereof in part-time educational assistance.

When the legislation that became Public Law 93–508, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, was under consideration in the 93d Congress, the American Legion objected to the wording in section 202(1) of that act, authorizing training for an additional number of months, not exceeding 9, "as may be utilized in pursuit of a program of education leading to a standard undergraduate college degree."

The quotation here used is from the text of the law. While legislative action on Public Law 93–508 was still in progress, the national executive committee of the American Legion adopted resolution No. 17.

In resolution No. 17, the national executive committee used the following language: "the restriction * * * is inequitable and unfair when considered in the basis of equal benefits for equal service."

The resolution further stated: "The American Legion is committed to the concept of equal benefits for equal service." And on that basis, we sought the elimination of the restriction of the additional months of training eligibility, beyond 36 months to undergraduate study.

What I have now stated, continues to be the policy of the American Legion with reference to this matter. Accordingly, the language of section 2 of H.R. 8406 is, in our judgment an improvement on the language of Public Law 93–503 and we urge its retention in the bill now under consideration.

Mr. Chairman, the above presentation leads me to the conclusion, respectfully submitted, that the American Legion approves of the intent and language of H.R. 8406, as good and necessary legislation and we hope for favorable action by the Congress.

Thank you, sir.

Mr. WOLFF. Thank you very much. We certainly appreciate your support for this legislation. Mr. Wylie?

Mr. WYLIE. You stated, I believe, you favor the discharge date in H.R. 8406. The GI educational benefits would terminate on September 1. Did you hear the statement of the representative from the Veterans' Administration a little bit earlier which favored a different date?

Mr. KRAJA. Yes, sir. Our presentation, of course, was prepared prior to knowing the administration position on this matter. I submit to the committee that we would find that acceptable.

Mr. WYLIE. OK, so you would not—would modify your testimony to say that it could be changed to a date which was related to the date of enactment of the bill?

Mr. KRAJA. Yes, on the basis of the Veterans' Administration statement, the American Legion would have no quarrel with that change.

Mr. WYLIE. You stated very specifically—did you hear my question a little earlier to the representative about differentiating between wartime service and peacetime service for GI educational benefits?

Mr. KRAJA. I specifically agree with your statement.

Mr. WYLIE. All right. It is your position then that the GI educational benefits program should be terminated?

Mr. KRAJA. Yes, as a wartime benefit. To repeat sir, what I have in my statement.

Mr. WYLIE. And not shift it over to the Department of Defense for paying the bill?

Mr. KRAJA. Mr. Congressman, the best way for me to respond to that is to say as far as the American Legion is concerned, should the Congress, in its wisdom, decide to provide postservice education programs for members of the peacetime Military Establishment, that is a matter to which we would address ourselves, should it become active in the Congress.

Our position at the moment, however, and my purpose for being here, is to make very clear that we do not believe that such peacetime benefits for the all-volunteer Military Establishment should be in any sense equated with the rehabilitation program provided for the man who fought in the most recent war.

Mr. WYLIE. Thank you. Would you favor extending the period from 36 to 45 months?

Mr. KRAJA. Yes, sir, we do, without restriction.

Mr. WYLIE. Thank you very much.

Mr. WOLFF. Thank you very much, Mr. Kraja. We appreciate your support for this position, not only that, but the support for all veterans which is so characteristic of the American Legion.

Our next witness is Jeffries Carey, president of the National Association of Concerned Veterans.

STATEMENT OF CHARLES C. GARAFINO, ACTING STATE COORDINATOR FOR MARYLAND, NATIONAL ASSOCIATION OF CONCERNED VETERANS

Mr. GARAFINO. Mr. Chairman, my name is Charles C. Garafino. I am the acting State coordinator for Maryland. Mr. Carey is unable to make it this morning and he asked me to present the testimony of NACV.

Mr. WOLFF. We are happy to have you, and I make the same request to you if you will. Please give us your total statement for inclusion in the record and summarize it if you can.

Mr. GARAFINO. Yes, sir.

[The statement follows:]

STATEMENT OF JEFFRIES CAREY, PRESIDENT, NATIONAL ASSOCIATION OF CONCERNED VETERANS

Mr. Chairman and distinguished members of the committee, on behalf of the National Association of Concerned Veterans (NACV), I thank you for this opportunity to appear before you once again. As I have just returned from our Quarterly Board of Directors Meeting in Denver, Colorado, my statement should indicate the most current concerns of Vietnam era veterans

Before proceeding, I would like to express our most sincere appreciation to you, Mr. Chairman, and all members of the Committee on Veterans Affairs for your past collective, strong and bi-partisan efforts to gain equitable benefits and programs for Vietnam era veterans. The NACV, primarily a Vietnam era veterans organization, have grave concerns today that the benefits and programs obtained are slowly being crushed, put aside or just plain ignored by the federal, state and local governments responsible for the funding, implementation, monitoring and enforcement of the laws and regulations governing the provided benefits and programs. It amazes our membership to see the Congress labor hard and long over legislation such as P.L. 93-508, P.L. 92-318, P.L. 92-540, etc., to afford our nation's veterans a fair shake in readjustment assistance, and then watch our government ignore and outright refuse to enforce these fine laws. It is evident to us that, as the saying goes "it takes an act of Congress to get anything done." It is evident to us that in the areas of education and employment especially, the Congress must act to establish some method of action on the part of those agencies refusing to obey the laws.

NACV is particularly pleased over the passage of P.L. 93-508, the "Vietnam Era Veterans' Readjustment Assistance Act of 1974" with its many provisions of benefit to today's veterans. This law is an excellent step toward reaching the goal of parity and equality for all veterans. However, I hope it is only one of many steps. NACV is well aware of the long hours of labor, negotiations, and compromise that were involved in the drafting of P.L. 93-508, and we appreciate that work.

Specifically, the members of NACV are interested in the extension of entitlement of educational assistance benefits from 36 to 45 months. Fortunately, this extension was included in the law. Unfortunately a restriction was put on this extension, allowing the additional 9 months to only "be utilized in pursuit of a program of education leading to a standard undergraduate college degree." I am sure the members of this Committee are very familiar with the many reasons for the removal of this restriction: the extended time needed to attain a degree due to outside-school employment, the shortage of credit hours needed for a degree after a four year full course curriculum, the education necessary to be minimally competitive in today's job market, that no such restriction was ever placed on earlier veteran's programs, etc. NACV has testified on this issue before and I would like to thank all members of the committee for introduction of legislation to correct this inequity. We feel that the veterans, as long as he is entitled to this benefit, regardless of what his program might be or for which degree he my be working on, should, without question, receive this benefit. There should be no discrimination between graduate or undergraduate degree, nor should there be a requirement that the veteran be enrolled in an institution at the time he requests the extension. We urge that a piece of legislation be reported favorably out of committee as soon as possible to remove this unjust restriction.

NACV is also pleased that a low interest education loan to eligible veterans was established under P.L. 93-508, and we would like to thank the Committee for the establishment. However, as you are well aware, that education loan was originally determined to be $2,000.00 per year and was lowered, through compromise, to $600.00 per year. NACV strongly suggests that the amount of education loan be raised back to the $2,000.00 level.

NACV supports the concept of accelerated payments of entitlement for G.I. Bill enrollees and to specifically insure that the following two groups are also included: graduate students and those veterans enrolled in accredited institutions for vocational and technical training programs which are terminal after 2 years or less.

NACV was greatly encouraged by the passage of P.L. 93-337, which provided for the extension of the delimiting period for the pursuit of educational programs from 8 years to 10 years. However, based on the premise that if veterans

serve their country by dutifully sacrificing a number of irreplacable years of their lives in the Nation's Armed Forces, then those veterans should be allowed to utilize their earned educational benefits whether they are 25 or 65 years of age. In addition, due to the startling technological changes taking place daily in our society, it has often become necessary for individuals to return to academic institutions for further education or retraining simply to keep pace with these changes or because an automated technology has made certain jobs obsolete and these forms of employment have ceased to exist. Therefore, NACV still asks that no limit be placed upon the veterans for the pursuit of his education.

Mr. Chairman, NACV realizes how strenuously the members of Congress fought to include a tuition provision in P.L. 93–508. We are grateful for this effort and we urge you to continue this fight. Such a tuition provision will help eliminate veterans from being "priced-out" of higher education. To quote some conclusions of the "Final Report on Educational Assistance to Veterans: A Comparative Study of Three G.I. Bills" conducted by the Educational Testing Service, Princeton, N.J.—for which legislatively mandated report, Mr. Chairman, you and the committee can take much credit:

In general, the "real value" of the educational allowance available to veterans of WWII was greater than the current allowance being paid to veterans of the Vietnam Conflict when adjustments are made for the payment of tuition, fees, books and supplies.

When educational allowances for the Vietnam veterans are adjusted for the average tuition, fees, books and supplies at a 4-year institution, the benefits remaining are insufficient to meet the veteran's estimated living expense. To restore equity between veterans residing in different states with differing systems of public education, some form of variable payments to institutions to ameliorate the differences in institutional costs would be required.

Also, Mr. Clark Kerr's report of the Carnegie Council on Policy Studies in Higher Education has recently issued a study recommending a matching program of federal and state tuition grants to students attending private institutions. In light of this obvious need, of the evidence and proofs of this need, and in quest of an equitable educational assistance bill which shall furnish access to the higher cost educational institutions for today's veterans under the G.I. Bill of World War II, NACV has resolved that a tuition subsidy should be provided and that such a subsidy shall be computed on the basis of a sliding tuition base truly representing the "actual cost to the veteran."

Mr. Chairman, there is one other area directly related to education which is of great concern to our members, and although I realize that this Committee does not have the direct jurisdiction over this issue, I would like to comment briefly on it. That educational concern is the "Veterans' Cost-of-Instruction Payments to Institutions of Higher Education" (VCIP), Section 420 of Title I of P.L. 92–318, the "Education Amendments of 1972". The VCIP Program, authored by Senator Cranston from California has proven itself to be of great benefit to veterans attending institutions of higher education and has substantially aided in the outreach-process of informing veterans of their rights and benefits under the G.I. Bill. Such is the commitment of NACV's membership to this worthwhile program that the following Resolutions were passed: that every legislative effort be made to insure the continual funding of VCIP at no less than the Congressionally authorized level, that the Program be extended with increased funding, and that each eligible applicant institution with a student veteran population be entitled to receive a basis minimum entitlement regardless of the veteran poulation of the institution. I hope that the members of this Committee will support this beneficial program and will urge their colleagues to do the same. NACV hopes that this program will be funded beyond fiscal year 1976.

There are presently more than 570,000 Vietnam era veterans unemployed in this country. The percentage rate of unemployment for Vietnam veterans in the 20–24 year old age bracket is better than 21%. This is well over the national average, while minority veterans suffer from Depression-level unemployment.

NACV applauds this Committee and the Congress as a whole for the fine "employment" legislation it has already passed—P.L. 92–540, the "Vietnam Era Veterans' Readjustment Assistance Act of 1972," P.L. 93–112, the "Rehabilitation Act of 1973." P.L. 93–508, the "Vietnam Era Veterans' Readjustment Assistance Act of 1974," and P.L. 93–567, the "Emergency Jobs and Unemployment Assistance Act of 1974", are but a few examples—and for the strides Congress has taken to implement "affirmative action" in the employment of disabled and

Vietnam era veterans. NACV now looks to Congress to ensure that employers and employing agencies comply with these laws.

In conclusion, Mr. Chairman, I would like to leave this thought with you, "Let us do as much for our nation's Veterans as we did recently for the Vietnam and Cambodian refugees".

Mr. Chairman, this concludes our prepared statement. NACV stands ready to assist the Congress in any possible way to ensure that our veterans receive equal treatment for equal service.

Thank you.

Mr. GARAFINO. Mr. Chairman, gentlemen, specifically the members of NACV are interested in the extension of educational assistance benefits from 36 to 45 months. Fortunately this was included in the law.

Unfortunately a restriction was put on this extension, allowing the additional 9 months to be "utilized in pursuit of a program of education leading to a standard undergraduate college degree."

I am sure the members of this committee are very familiar with the many reasons for the removal of this restriction: the extended time needed to attain a degree due to outside school employment, the shortage of credit hours needed for a degree after a 4-year full course curriculum, the education necessary to be minimally competitive in today's job market, that no such restriction was ever placed on earlier veteran's program, et cetera.

NACV has testified on this issue before and I would like to thank all members of the committee for introduction of legislation to correct this inequity.

We feel that the veterans, as long as he is entitled to this benefit, regardless of what his program might be or for which degree he may be working, should, without question, receive this benefit.

There should be no discrimination between graduate or undergraduate degree, nor should there be a requirement that the veteran be enrolled in an institution at the time he requests the extension.

We urge that a piece of legislation be reported favorably out of committee as soon as possible to remove this unjust restriction.

NACV is also pleased that a low interest education loan to eligible veterans was established under Public Law 93–508, and we would like to thank the committee for the establishment.

However, as you are well aware, that education loan was originally determined to be $2,000 per year and was lowered, through compromise, to $600 a year. NACV strongly suggests that the amount of education loan be raised back to the $2,000 level.

NACV supports the concept of accelerated payments of entitlement for GI bill enrollees and to specifically insure that the following two groups are also included: graduate students and those veterans enrolled in accredited institutions for vocational and technical training programs which are terminal after 2 years or less.

NACV was greatly encouraged by the passage of Public Law 93–337 which provided for the extension of the delimiting period for the pursuit of educational programs from 8 years to 10 years.

However, based on the premise that if veterans serve the country by dutifully sacrificing a number of irreplacable years of their lives in the Nation's Armed Forces, then those veterans should be allowed to utilize their earned educational benefits whether they are 25 or 65 years of age.

In addition, due to the startling technological changes taking place daily in our society, it has often become necessary for individuals to return to academic institutions for further education or retraining simply to keep pace with these changes or because of an automated technology which has made certain jobs obsolete and these forms of employment have ceased to exist.

Therefore, NACV still asks that no limit be placed upon the veteran for the pursuit of his education.

Mr. Chairman, NACV realizes how strenuously the Members of Congress fought to include a tuition provision in Public Law 93–508. We are grateful for this effort and we urge you to continue this fight.

Such a tuition provision will help eliminate veterans from being priced out of higher education. To quote some conclusions of the "Final Report on Educational Assistance to Veterans: A Comparative Study of Three GI Bills" conducted by the Educational Testing Service, Princeton, N.J., for which legislatively mandated report, Mr. Chairman, you and the committee can take much credit:

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>
> To restore equity between veterans residing in different states with differing systems of public education, some form of variable payments to institutions to ameliorate the differences in institutional costs would be required.

Also, Mr. Clark Kerr's report of the Carnagie Council on Policy Studies in Higher Education has recently issued a study recommending a matching program of Federal and State tuition grants to students attending private institutions.

In light of this obvious need, of the evidence and proofs of this need, and in quest of an equitable educational assistance bill which shall furnish access to the higher cost educational institutions for today's veterans under the GI bill of World War II. NACV has resolved that a tuition subsidy should be provided and that such a subsidy shall be computed on the basis of a sliding tuition base truly representing the actual cost to the veteran.

Mr. Chairman, there is one other area directly related to education which is of great concern to our members, and although I realize that this committee does not have direct jurisdiction over this issue, I would like to comment briefly on it.

That educational concern is the "Veterans cost-of-instruction payments to institutions of higher education," section 420 of title X of Public Law 92–318, the "education amendments of 1972."

The VCIP program, authored by Senator Cranston from California has proven itself to be of great benefit to veterans attending institutions of higher education and has substantially aided in the outreach process of informing veterans of their rights and benefits under the GI bill.

Such is the commitment of NACV's membership to this worthwhile program that the following resolutions were passed: that every legislative effort be made to insure the continued finding of VCIP at no less than the congressionally authorized level, that the program be extended with increased funding and that each eligible applicant in-

stitution with a student veteran population be entitled to receive a basic minimum entitlement regardless of veteran population of the institution.

I hope that the members of this committee will support this beneficial program and will urge their colleagues to do the same. NACV hopes that this program will be funded beyond fiscal year 1976.

There are presently more than 570,000 Vietnam-era veterans unemployed in this country. The percentage rate of unemployment for Vietnam veterans in the 20- to 24-year age group is better than 21 percent.

This is well over the national average, while minority veterans suffer from depression-level unemployment.

NACV applauds this committee and the Congress as a whole for the fine employment legislation it has already passed—which I will not mention—and for the strides Congress has taken to implement affirmative action in the employment of disabled and Vietnam era veterans.

NACV looks now to Congress to insure that the employers and employing agencies comply with these laws.

In conclusion, Mr. Chairman, I would like to leave this thought with all of you, "Let us do as much for our Nation's veterans as we did recently for the Vietnam and Cambodian refugees."

Mr. Chairman, this concludes my prepared statement. NACV stands ready to assist the Congress in any possible way to insure that our veterans receive equal treatment for equal service.

Mr. WOLFF. Thank you very much for your statement. Mr. Wylie?

Mr. WYLIE. I am not sure I got your position on the continuation of the educational benefits program. Did you say something in here about that, whether it should or should not be continued?

Mr. GARAFINO. NACV feels the program should be continued in its present form.

Mr. WYLIE. Of course, all veterans now sign up voluntarily. This should be included?

Mr. GARAFINO. Yes, sir.

Mr. WYLIE. On page 5, you mentioned a program called veterans instruction payments to institutions of higher education. This committee really does not have jurisdiction over that program as you probably are aware.

I think you would want to bring it up elsewhere, is that right?

You say in the next to the last statement, let us do as much for our Nation's veterans as we did recently for the Vietnam and Cambodian refugees. Do you think we did more for them than we did for our veterans?

Mr. GARAFINO. The feeling of NACV in terms of dollar amounts that had been in figures released in newspapers in terms of readjustment educational benefits to Vietnamese and Cambodian refugees is in a sense much more than the Vietnam-era veteran is today receiving.

Mr. WYLIE. I will have to take a look at that but I do not see how that could be possible. It is more of a one-stop move.

Mr. WOLFF. It was $360 million that we gave to them.

Mr. WYLIE. Did that help the Vietnam veteran?

Mr. WOLFF. No, I did not say that, rather it was to help the Vietnamese.

Mr. WYLIE. I meant the veteran of the Vietnam war and the Vietnam and Cambodian refugees.

Mr. WOLFF. I made reference to the fact that we had to give the refugees assistance in a variety of forms in a variety of programs.

Mr. WYLIE. But that is very little assistance to the Vietnam refugee in the United States today.

Mr. WOLFF. I am going to look at some of those camps, and I will tell you better when I get back.

Mr. WYLIE. I think you are comparing apples to oranges, that is all I am saying. We appreciate your statement.

Mr. WOLFF. We will now hear a brief statement by Congressman Sisk of California.

STATEMENT OF HON. B. F. SISK, REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, I appreciate this opportunity to address the Subcommittee on H.R. 8406, legislation of vital significance to our Vietnam-Era veterans from every sector of the country. The provisions of Section 2(1) of the bill, extending the maximum educational benefits under chapter 34 to forty-five months, is similar to legislation I introduced on March 3, 1975, H.R. 4106.

I voted for final passage of the Veterans' Education and Rehabilitation Amendments of 1974 (Public Law 93-508), because the benefit increases authorized in the measure were urgently needed, but I disapproved of the provision extending maximum entitlement under chapter 34 to 45 months, because the 9 month extension could be used only in pursuit of undergraduate study. Presumably this restriction was designed as an economy move, but I understand that in the few short months of its existence, it has proven costly as well as inequitable, as it tends to reward the less conscientious veteran or the veteran with uncertain career goals. Certainly if a veteran has sufficient qualifying active duty he should be permitted to use his entitlement for undergraduate or graduate study.

I have no objection to the setting of a termination date for educational benefits under chapters 34 and 36, providing those who recently enlisted with the understanding, if not the written promise, that their service would qualify them for GI educational benefits, will so qualify, if their subsequent release from active duty is under conditions other than dishonorable. In this connection, I would recommend that the termination date established in H.R. 8406 be changed from September 1, 1975 to November 1, 1975.

Mr. Chairman, may I again express my support for this legislation and urge it be favorably reported to the full committee at the earliest possible date.

Mr. WOLFF. Thank you very much. Mr. Nolan, who is our next witness, we have just gotten a call on the veto override of the health benefits program, and I am wondering whether or not you would like to file your statement or like to have us come back here after the vote?

Mr. NOLAN. Am I the only remaining witness?

Mr. WOLFF. Yes, sir.

Mr. NOLAN. I would be content to file my statement with you.

Mr. WOLFF. We thank you very much for your help and consideration.

[Mr. Nolan's statement follows:]

STATEMENT OF ROBERT W. NOLAN, NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION

INTRODUCTION

Mr. Chairman and members of this distinguished Committee.

I am Robert W. Nolan, National Executive Secretary of the Fleet Reserve Association. The FRA is a career service organization composed of 124,122 active duty and retired career enlisted personnel, and commissioned officers with prior enlisted service, of the United States Navy, Marine Corps and Coast Guard. As a retired Navy Chief Petty Officer, it is my privilege to present my Shipmates' views on the subjects you are considering today.

EXTENSION OF EDUCATION BENEFITS

The Fleet Reserve Association supports the extension of maximum education benefits from thirty-six to forty-five months. Such an extension will assure veterans of the opportunity to complete their education and earn their degrees. The Government's costs in providing the education benefits of the World War II and Korean G.I. bills have proven to be, "bread cast upon the waters". Veterans' education has contributed significantly to our nation's economy and has increased the Government's revenue.

SETTING A NEW TERMINATION DATE FOR VETERANS' EDUCATIONAL BENEFITS

Now that we are at peace, we can appreciate the need to terminate veterans' wartime benefits. However, care must be exercised in establishing a new termination date for education benefits so as not to discriminate against career members of the Armed Forces who are also veterans.

Section 1662(a) of Chapter 34, Title 38, United States Code states:

"(a) No educational assistance shall be afforded an eligible veteran under this chapter beyond the date 10 years after his last discharge or release from active duty after January 31, 1955."

I have supplied the underlining because this phrase comprises the key words. Under this language, the military careerist may receive educational benefits following transfer to the Fleet Reserve or actual retirement.

The Fleet Reserve Association contends that the military careerist who qualifies as a wartime veteran is entitled to receive the same veteran's benefits as do those veterans who do not pursue a military career. Indeed, the military careerist is usually a veteran of at least two armed conflicts. He has every right to expect the opportunity to pursue his formal education under the G.I. bill provisions upon the completion of his military career as those who serve a lesser period of military service.

If his veterans benefits are abrogated, it could well give our career personnel cause for concern as to whether they should continue their military careers. Such a breach of faith is not a firm foundation on which to build the desired All Volunteer force.

Therefore, Mr. Chairman we respectfully request that the action this Committee takes and recommends to the Congress truly protects the veteran's educational benefits of those career military personnel who were serving on active duty in our nation's Armed Forces prior to the effective date of any amending legislation.

CONCLUSION

The members of the Fleet Reserve Association appreciate the opportunity to present their views to you today. We respect our representative form of government. That is why we spend the major portion of our adult lives to protect it. On behalf of my 124,122 Shipmates, I thank you, Mr. Chairman.

Mr. NOLAN. Thank you very much for the opportunity.

Mr. WOLFF. We will keep the record open for statements until July 31. I would like to say that I appreciate the statements made by all people here today in favor of this legislation and especially of the great concern of organizations and individuals who appeared here today.

We hope that we will have the bill ready soon and report it to the full committee.

As of now, the subcommittee stands adjourned.

[Whereupon, the subcommittee adjourned at 11:41 a.m.]

The following statements were received after the hearing and placed in the record as directed:

TESTIMONY BY THE AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES AND THE AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES

Mr. Chairman and Members of the Subcommittee, this statement on G.I. educational benefits is submitted on behalf of the American Association of State Colleges and Universities (AASCU) and the American Association of Community

and Junior Colleges (AACJC). The two associations have in their member institutions more than one-half of all undergraduate college students *and* over one-half the veterans currently receiving educational benefits. AASCU and AACJC institutions are very appreciative of the action this Subcommittee has taken over the years to provide education benefits for American veterans.

Briefly, for the record, we would like to offer for your consideration the views of our member institutions on this program.

Our members support the extension of entitlement of educational assistance benefits from 36 to 45 months. Fortunately, this extension was included in the law. Unfortunately, a restriction was put on this extension, allowing the additional nine months to only "be utilized in pursuit of a program of education leading to a standard undergraduate college degree." The members of this Committee are very familiar with the many reasons for the removal of this restriction: the extended time needed to attain a degree due to outside-school employment, the shortage of credit hours needed for a degree after a four year full course curriculum, the education necessary to be minimally competitive in today's job market, the fact that no such restriction was ever placed on earlier veteran's programs, etc. We feel that the veterans, as long as they are entitled to this benefit, should be able to use it regardless of what their program might be or for which degree they may be working on. There should be no discrimination between graduate or undergraduate degrees, nor should there be a requirement that the veteran be enrolled in an institution at the time he requests the extension. We urge that legislation be reported favorably out of committee as soon as possible to remove this unjust restriction.

Our member institutions support the continuation of educational benefits for young men and women volunteering for military service. The best answer to this may be found in Chapter 34, education benefits, Subchapter I, which states the purpose of the law. This Subchapter gives four reasons why "the Congress declares" that the bill is necessary. One is readjustment and lost opportunities. Another is "enhancing and making more attractive service in the Armed Forces", another is "extending the benefits of a higher education to qualified and deserving young persons who might otherwise not be able to afford such an education" (emphasis added).

We think those of us who support continuation should stress our belief that the G.I. Bill continues to be a way in which a great many young people, many from lower-income and minority families, may have a chance they otherwise would not have for further education. This is especially true in a recession, which has greatly increased the enlistment of high school graduates. The armed services have wanted the G.I. Bill as a recruitment device, especially for higher ability people, and feel they would lose a lot of these people without it. It is also used for education and upgrading *within* the armed forces, because military personnel may use it after 180 days of service.

The comparison with post-World War II veterans benefits ignores the significantly different characteristics of current G.I. Bill users as compared with those of the general student population. According to a special analysis in the 1974 American Council on Education (ACE) survey of first-time, full-time students, "The Vietnam Era Veteran Enters College" (ACE, Office of Research, 1972), veterans tend to have poorer high school academic records than male non-veterans, and lower educational aspirations upon entrance to college.

Veterans express less concern about financing their education than their freshman peers, indicating the importance of their G. I. benefits. Veterans also plan business or technical majors and careers more than other male freshmen, and are less likely to be planning professional careers. Veterans' institutional decisions are more likely to be based on proximity to home, or special educational programs, and less on institutional reputation than other male freshmen. The factors in choosing an institution are quite different for a 17-year-old high school student than for a veteran in his mid-20s who is more likely to have family or financial responsibilities, less mobility, and a desire to acquire a marketable skill in the shortest time possible. Furthermore, our colleges have made special efforts to accommodate veterans and their special needs, are more likely to accept veterans upon discharge at any time of year, and do not require applications far in advance.

In addition to the broad social objectives discussed above, the role which the G. I. Bill continues to play in the maintenance of our military establishment's strength should be considered. According to recent figures released by the Department of Defense, all of the armed services are presently adequately meeting enlistment quotas for an all-volunteer force. However, and quite pertinent to

the issue, a survey conducted by the Army Testing Service last September revealed that one of every four individuals tested indicated he would not have enlisted had it not been for the availability of G. I. educational benefits. When these servicemen were asked to list their three most important reasons for joining the service, 50 percent listed post-service educational benefits. Also, the Department of Defense in national advertising has used the G. I. Bill as a recruiting tool and recently stated educational benefits are important to recruiting.

Moreover, it has been proven that for every dollar spent on the G. I. Bill at least three dollars have returned to the Government in the form of higher taxes paid by those with higher education.

Therefore, AASCU and AACJC believe that the country has been and will be served best by providing educational benefits for our young people who are now volunteering for military service.

Thank you for your consideration of our views. If you have any questions about our views, we would be glad to answer them for you.

STATEMENT FOR THE NONCOMMISSIONED OFFICERS ASSOCIATION

Mr. Chairman and distinguished members of the subcommittee, the Non-Commissioned Officers Association of the USA (NCOA) represents the largest segment of active duty military enlisted personnel of all quasi-military organizations. Of a membership in excess of 150,000, nearly 85 percent are currently serving the Nation in the Army, Navy, Marine Corps, Air Force, and Coast Guard.

In their behalf, the Association must oppose the Administration's proposal to eliminate veterans' education benefits for persons entering the Armed Forces on or after July 1, 1975, and to reduce the entitlement period for those now serving on active duty.

In presenting its case, the Association must offer first a background of action that has led to erosions of benefits for military personnel, particularly enlisted members, since the end of the Vietnam conflict. Secondly, the all-volunteer force concept should be considered, plus the impact the enactment of this legislative proposal will have on the recruitment and retention of military personnel.

Since the U.S. withdrawal from Southeast Asia, Congress step by step has reduced or terminated many of the benefits, pay, and allowances of our military personnel. Hardest hit have been active duty enlisted members of the U.S. Armed Forces. For example:

Automatic reenlistment bonuses were terminated by Public Law 93-277.

Reenlistment travel payments terminated, specialty and proficiency payments reduced and to be terminated by FY 1976, unused leave payments curtailed and CHAMPUS fundings for dependents reduced, all by Public Law 93-437.

Pay increases reduced by Public Law 93-419 curtailing future retired pay amounting to thousands of dollars for each member.

Compulsory contributions to Soldiers' and Airmen's Home, although small, increased.

Tens of thousands of regular enlisted members denied reenlistment after serving honorably for five but less than 20 years of continuous active duty without any remuneration from a Nation they served so well, and more separations planned for the future and still no entitlement to severance or readjustment pay.

Each step noted above and others, plus future threats of furtner erosion, have and are shaking the very foundation of the military forces. Morale and discipline are suffering. Just recently, there have been strong rumors that many of our military personnel are considering the necessity of unions to protect them from further losses in pay, allowances, and benefits promised to them upon entry or reenlistment.

Almost every recruiting pamphlet offers extensive benefits for those choosing to enlist or reenlist in one of the Armed Forces.

A Marine Corps publication, "The 200th Year—Engagement Calendar and High School Counselor's Guide—1974-75 School Year" reads: "Veterans Educational Assistance (In-Service GI Bill) This program enables active-duty Marines to receive payment from the Veterans Administration for reimbursement for money paid to civilian educational institutions for VA-approved education. This assistance is a monthly rate and varies with the number of courses available."

In yet another publication, "There's a Way to Help Others While You Help Yourself," distributed by the U.S. Coast Guard, it states: "You get all the benefits of the GI Bill—benefits like money for education and guaranteed loans for buying a home."

These are "implied contractual" benefits that have been promised. Certainly of all, the government should keep its word to those it selects to serve our Nation.

And let us not forget that the All-Volunteer Force concept, again a congressional edict, has not yet proven itself. Volunteers are joining, this is true, but the recession that has caused high unemployment may very well be the key factor in meeting recruiting goals of recent months. What will happen when and if employment increases may be another story.

On the opposite side, the civilian unemployment climate does not appear on any survey conducted by the Armed Forces as the primary reason for choosing an enlistment in the military. Education and skill training have been the top incentives.

Should the GI Bill disappear, along with reduced civilian unemployment, the NCOA believes it will have a most startling effect on recruitment.

And too, if the eligibility period is shortened for those who are now serving on active duty, many experienced and highly skilled young officers, and noncommissioned and petty officers will cut their military careers short in order to take advantage of VA education benefits.

The Vietnam conflict is over, but the battles are still being fought. Just some months ago our military units and personnel were involved in hostile acts in evacuations conducted in Cambodia and South Vietnam. And what about the Mayaguez incident? In every case our military personnel suffered injuries and even death. Do we dare say that there will be no further danger to the men and women who are or will be serving the Nation?

Earlier it was noted that Congress has already taken much from our military personnel. Millions of dollars have been saved by the legislative actions listed, and billions of dollars will be saved in the future. Therefore, the NCOA cannot support further erosion to the benefits promised our active members of the Armed Forces.

To eliminate the education benefits for future soldiers, sailors, Marines, airmen, and Coast Guardsmen, and to further establish a time limit on those benefits for persons now serving, may be penny-wise and dollar-foolish.

The NCOA firmly believes such actions will have a disastrous effect on recruitment and retention. As such, more appropriations will have to be spent for recruiting purposes and for training replacements for those who leave the services early in order to take advantage of their education benefits.

The Association urges the members of this distinguished Subcommittee to weigh the financial imbalance that could be brought on by the elimination and restriction of education benefits, and to consider the effect it will have on morale, recruitment, and retention. Once these probable detriments have been evaluated, the NCOA believes the proposal will be rejected.

Thank you.

STATEMENT BY HON. CHRISTOPHER J. DODD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

I appreciate this opportunity ot express my support for the provision in H.R. 8406, extending educational benefits to a maximum of 45 months for eligible veterans to complete undergraduate and graduate degree work.

This nine-month addition of entitlement for graduate work would help to provide a complete educational experience for all qualified veterans.

In America today, an undergraduate degree, which the present benefits cover, would not qualify a veteran for jobs comparable to those attainable by the World War II veteran with the same education. Graduate degrees have become a basic qualification for a great range of jobs.

Present entitlements provide 45 months of benefits to the veteran who must take time to gain an undergraduate degree. If a veteran graduates in the normal 36-month period, then all benefits that might have been received for an extended undergraduate program, are forfeited.

There is no justification for allowing some veterans 45 months of educational benefits, while limiting others to benefits for 36 months.

If the limit on benefits is to be 45 months, then it should include an unrestricted entitlement to every veteran, including those in graduate school.

The present policy advocates unequal benefits for equal service. The veterans, both undergraduate and graduate alike, deserve the same amount of benefits regardless of academic achievement.

I urge the committee to grant these benefits to graduate students.

STATEMENT OF HON. ROBERT A. ROE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

I, Robert A. Roe, Member of Congress, Eighth District, State of New Jersey, am privileged and honored to have this opportunity to submit this statement of need in support of H.R. 8406 which is very similar to legislation which I introduced (H.R. 3484) in that it provides a termination date of August 31, 1985 for veteran's educational benefits under chapters 34 and 36 of title 38, an extension of maximum educational benefits to forty-five months under chapter 34 of such title, plus authorization to participate in an educational program which leads to an undergraduate college or graduate degree.

First of all, I am gratified by the nine-month extension of the entitlement period from the present 36-month period to 45-months because it improves significantly the overall educational assistance program for our veterans.

This new provision will aid veterans taking reduced credit schedules, or forced to work, or hampered by technicalities or administrative delays to complete their degrees and meet today's demands for higher education established by employers, licensing boards and professional certification requirements. This nine-month extension will come at a crucial stage in life for many veterans who might suffer grievous injury if not allowed to conclude work on a graduate degree.

Furthermore, the gross inequities of the baccalaureate restriction are removed. Beginning with the GI bill of World War II and followed by the Korean-conflict GI bill, there was no restriction as to the level of training for which educational assistance was to be used. The present restriction is discriminatory in that over 20% of the Viet Nam veterans had one or more years of college so could not use the full entitlement. Many of our young veterans are unemployed because of our current, severe economic recession, so the need for advanced degrees to enable veterans to be competitive in a job market which increasingly requires a master's degree rather than just a bachelor's degree is clearly illustrated. This growing trend was reported last year by the Carnegie Commission on Higher Education.

Claims that the proposed programs are inflationary simply will not hold up when considered from the point of view of return on investment. The Veterans Administration described the World War II GI bill as the "best investment in American history". According to estimates by the Internal Revenue Service, the $14 billion that we invested in the World War II GI bill was returned six times over in increased tax revenues. We could use that kind of economic input today. However, the economic and social contributions to be made by the veterans educated under the current program cannot be measured.

Mr. Chairman and Members of this Subcommittee, we will ill repay the great personal sacrifices of our youth during the Viet Nam War if we allow them to receive educational benefits lesser in scope than those a grateful nation bestowed upon the survivors of World War II and the Korean conflict. Afford to these yonng men and women equal benefits for equal service. Through your judgment and forthright action you can restore to our young veterans the opportunities and full benefits of higher education, so that they may enjoy a better life and contribute in greater measure to the future growth, prosperity and security of this great nation for which they have fought. I most strongly urge you to recommend favorably to the full Committee and to the House the legislation before you. Thank you.

STATEMENT OF HON. WILLIAM D. FORD, REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. Chairman, distinguished Members of the Subcommittee. I appreciate having the opportunity to appear before your Subcommittee to express my support for legislation which is of great importance to our veterans.

This bill, H.R. 5895, which I have co-sponsored and seek your support for, does two things. First, it extends veterans education benefits from 36 months to 45 months and second, it increases the rate of accrued benefits available to veterans.

Presently veterans receive 36 months of educational benefits which enable them to complete studies at the undergraduate level of college. This legislation would extend those benefits for an additional 9 months so veterans may also pursue graduate and postgraduate studies. As this Committee can remember, the extension for education benefits up to 45 months under the G.I. Bill was included in the original House bill H.A. 12628 (PL 93-508). Unfortunately, when this bill was sent back to conference, the extension was amended to include only undergraduate students.

H.R. 5805 would correct this oversight. Without this bill, the law would only create an incentive for a veteran to continue his undergraduate study and would ignore the veterans who wished to pursue graduate and postgraduate studies.

I believe this legislation would remedy another unfortunate circumstance. The problem I am referring to is the present inequitable treatment of veterans who served less than 18 months of active duty. Many times a service man's term of duty is terminated early, before 18 months, because of over staffing, administrative reasons and wounds or injuries. This was a common occurrence during this country's fighting in Southeast Asia. For example, a veteran who was wounded and discharged after 17 months of honorable service, would receive benefits for only 26 months, that is a rate of one and one-half months of benefits for every month he served. On the other hand a veteran who served a full 18 months would receive 45 months of benefits for every month he served.

This allotment of two and one-half months of benefits per month of service to all veterans, with a maximum of 45 months of benefits for honorable service, is certainly justified, since a soldier cannot control his destiny.

I thank the committee for its time and I strongly urge its distinguished members to include this bill as part of the veterans legislation it is now considering.

Thank you.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 31, 1975.

Hon. OLIN E. TEAGUE,
Chairman, Subcommittee on Education and Training, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

Mr. CHAIRMAN: I would like to express my support of the provision of H.R. 4806 which would amend the G.I. Bill of Education by removing the restriction on the 9-month extension of veterans education benefits, allowing all persons eligible for the programs under Chapter 34 of Title 38 of the United States Code to receive 45 months of assistance.

Currently, the 9-month extension is applicable only to veterans in undergraduate level programs. While this extension of eligibility for undergraduates is certainly a boost to the program, it stops short of a full measure of needed relief.

I am particularly concerned with graduate students and students in professional programs who are being faced with the rising cost of living and of education, and who usually find it extremely difficult to supplement their incomes with outside employment due to the demanding nature of their studies. Many of these students have been forced to discontinue their educations because their benefits have expired prior to completion of their program, and other assistance is increasingly hard to come by in this time of economic uncertainty.

All veterans should be given the same opportunity to advance themselves and to pursue the program of their choice with as few impediments as possible. Therefore, I urge the Subcommittee to act favorably on this provision.

PATRICIA SCHROEDER,
Congresswoman.

STATEMENT OF HON. FORTNEY H. STARK, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, I appreciate the opportunity to testify before this subcommittee on legislation concerning veterans' educational assistance programs. I understand that the subcommittee has before it bills which call for the termination of veterans' educational benefit programs.

I wish to state that I strongly oppose the termination of veterans' educational programs. These benefits serve to provide educational opportunities for many individuals who would not otherwise be able to afford them. Though I am not usually known for espousing the military, I would like to point out that this program does provide good incentives for an individual to join the new volunteer army.

It is interesting to listen to proponents of the termination argue that this is strictly a war-time benefit and should be halted when he U.S. is no engaged in hostilities. I would note however, that there have been only three years since 1940 during which veterans were not entitled to educational assistance—regardless of whether we were at war or at peace. I see no reason why this beneficial program should now suddenly be discontinued—reversing our long held position that GIs should be eligible for educational benefits.

Mr. Chairman, I very much hope you will not terminate these benefits. On the contrary, I would hope that the Committee will consider broadening and expanding the veterans' educational program to remedy certain inequities presently in it.

Specifically, I would like to comment on two proposed revisions to the Veterans educational assistance program. These revisions are encompassed in H.R. 5986, one of the bills before you today, and one which I have cosponsored.

One needed reform in this measure would increase the veterans' educational allowance period from thirty-six to forty-five months. Currently, veterans who have served at least eighteen months of active duty since January 31, 1955 are entitled to thirty-six months of educational benefits. This assistance may be used for undergraduate work, graduate work, or both. In addition, all veterans who are unable to complete their undergraduate degree in the thirty-six months are eligible for a nine month extension to do so. This extension does not, however, apply towards graduate studies. Our bill would entitle all veterans with eighteen months of active duty to the full forty-five months of educational assistance for either undergraduate, graduate work, or a combination.

Mr. Chairman, I believe that the current system tends to encourage veterans to prolong their undergraduate studies to take full advantage of the benefits available to them. Meanwhile, those wishing to excel and go into graduate work are discouraged from doing so because their assistance will not be as extensive. This new plan will erase this inequity and provide benefits equally to our well-deserving veterans.

The second provision of this bill which I would like to comment on would increase the amount of educational benefits available to those veterans who served less than eighteen months of active duty since January 31, 1955. Currently such a veteran receives one and a half months of educational assistance for each month of active duty served. The new measure would increase the benefit to two and a half months per month of active duty. This method, Mr. Chairman, appears to be much more equitable. Take, for example, the case of a serviceperson who is injured and relieved from active duty after seventeen months. This person would presently receive only twenty-five and a half months of educational assistance as compared with forty-five for serving eighteen months on active duty. I think it is wrong that right now one short month of service can mean a difference of nineteen and a half months in educational assistance.

Mr. Chairman, I believe that these two provisions will equalize the veterans' educational benefit system so that all of our servicepeople receive the assistance they have so justifiedly earned. I urge you to give your approval to these important provisions. Thank you.

STATEMENT OF HON. EDWARD I. KOCH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. Chairman, I appreciate the opportunity to present this statement to the subcommittee.

I am co-sponsoring H.R. 7356, a bill introduced by Congressman Lester Wolff, which seeks to correct certain inequities in veterans' educational entitlement benefits created by last years' Veterans Education amendments included in the Vietnam Era Veterans Readjustment Assistance Act of 1974. As my colleagues will recall, this Act extended from 36 to 45 months the period of educational entitlement benefits for veterans, but restricted use of this extension only to those veterans who were in pursuit of an undergraduate degree. H.R. 7356 would eliminate this artificial restriction to entitle veterans pursuing graduate degrees to the same 45 months as those in undergraduate programs.

I am supporting this bill for several reasons which I feel the Committee should take into consideration in its deliberations. First, equalizing veterans' entitlement for both graduate and undergraduate education follows the precedent set by the original GI Bill and all subsequent bills save the one passed last year. From the first GI Bill, no differentiation was made between the entitlement benefits allowed to a veteran pursuing a graduate degree and one pursuing an undergraduate degree. When entitlement benefits were extended to 45 months last year, this equal treatment should have continued. Indeed, if my colleagues will recall the legislative history of the Vietnam Veterans Education Act, the original conference committee report made no distinction between graduate and undergraduate education in recommending the extension of entitlement benefits.

The reasons that entitlement benefits have been extended for undergraduate

education apply equally to veterans seeking graduate education. The education necessary to be even minimally competitive in today's difficult job market is greater and more specialized than ever before. Conversely, unemployment among younger veterans has been and continues to be inordinately high when compared to the general population in the same age grouping. March 1975 figures show that veterans in the age 20 to 24 category presently have an unemployment rate of 17.5% compared to a 14.7% rate for non-veterans in the same age grouping.

Further a great number of veterans have commitments which keep them from taking a full course load to earn their degrees in minimum time limits. This applies equally to those seeking graduate education as well as those seeking undergraduate education. Many veterans have families and must secure outside school employment to help in their support. Those veterans attempting to earn graduate degrees in today's university programs have similar time constraints as those engaged in undergraduate programs. Many advanced degree programs even at the Master's level particularly those specialized programs which best prepare a graduate to enter the job market with a marketable education are now two to three years in length based on a full course load taken throughout. For the veteran with a family and outside school employment this time can easily stretch to a fourth academic year and somewhat beyond where a thesis is required.

In addition, the veteran who, prior to his military service, had two-to-three years of a college education should not receive a lower entitlement benefit if he wishes to use his entitlement toward a graduate degree.

While one may grant that inflation should be taken into consideration in extending entitlement benefits, unemployment and its subsequent embittering effect on those men who have served our country in its most difficult war is an equally great problem. We should not discriminate against those veterans seeking graduate education when we have already extended entitlement benefits for those pursuing undergraduate degrees.

Opponents of the original G.I. Bill in 1944 thought that its generous provisions would be inflationary and economically disastrous. And yet who can doubt now the massive benefits we as a society have gained as a result of the passage of that bill, whose educational provisions made it possible for many men whose backgrounds would have made higher education impossible to achieve a college education and to use that education to become leaders in every field of endeavor in our present society. Today, educational standards have changed; an advanced degree is often necessary even to compete properly in today's tight job market which, if the past thirty years are an example, will continue to be characterized by a phenomenal and constant growth of specialized and technological knowledge.

Our investment in the GI Bill of 1944 paid and is still paying dividends of leadership and expertise far beyond its monetary costs. Correction of the inequity in entitlement benefits will continue the start made in this direction by the passage of the Vietnam Veterans Education Act last year. These men who have served our country so well in such difficult times deserve no less.

Mr. Chairman, I urge you and this committee to correct this inequity through a favorable report on H.R. 7356 so that we may complete the work so well begun by the passage of the Vietnam Veterans Education Act last year.

STATEMENT OF HON. WILLIAM M. KETCHUM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, and Members of the Subcommittee on Education and Training, I would like to take this opportunity to comment on the provisions of my bill, H.R. 5895, which pertain to extension of education benefits for veterans.

The bill, H.R. 5895, would extend eligibility for the G.I. Bill maximum education benefits from thirty-six to forty-five months. This measure would also increase veterans' entitlement to accrued educational benefits. Veterans who have served under eighteen months of active duty would now be entitled to two and one-half months of educational assistance per month served, extending the current one and one-half months provision.

Under present statute, this time extension applies only to those veterans who are not able to complete undergraduate studies in the normal four year period. The Veterans' Education and Rehabilitation Amendments of 1974 provides incentive for those veterans who wish to further their undergraduate education, but disregards those veterans in graduate or other post-baccalaureate study. I find this extension neither fair nor equitable to all veterans.

The additional time needed to attain a degree as a result of outside school employment, a shortage of required credit hours, the necessary education to compete in today's job market, are just a few of the justifications raised for removal of this inequitious restriction. We owe our veterans, who gave their time and interrupted their schooling to serve our nation's security, the chance for educational fulfillment. H.R. 5895 would do just that! It would allow graduate students the same entitlement period as undergraduates, thus ensuring that our veterans receive equal treatment for equal service.

Thank you, gentlemen, for your time.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 29, 1975.

Hon. OLIN TEAGUE,
Chairman, Subcommittee on Education and Training, Committee on Veterans' Affairs, Cannon House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to take this opportunity to comment on my bill, H.R. 4066, dealing with education benefits for veterans.

H.R. 4066 (reintroduced as H.R. 5895, H.R. 5896 and H.R. 6190) would extend eligibility for GI Bill education benefits from 36 to 45 months. It would also increase the rate of accrued benefits from one and one-half months per month served to two and one-half months per month served for veterans with less than 18 months of active duty service.

I sponsored H.R. 4066 in order to correct what I feel was an unfortunate regression on the part of the 93rd Congress. As the Committee will recall, an extension of GI Bill education benefits from 36 to 45 months was included in the original conference version of H.R. 12628 (P.L. 93-508). However, when because of floor action by the House this bill was sent back to conference, the extension was amended to include only veterans in undergraduate study.

The effect of this action was to put into law an incentive for a veteran to extend his or her undergraduate education while discriminating against the veteran in graduate or other post-baccalaureate study. This is a situation which needs to be corrected. H.R. 4066 would do just that.

I wish to draw special attention to that part of H.R. 4066 which seeks to insure equitable treatment for veterans who served less than 18 months on active duty.

During the Vietnam Era there were a number of veterans who served less than 18 months active duty. Some received early separations because of over staffing in their specific fields or for a variety of administrative reasons. But of perhaps even greater concern are those veterans who received early discharges because of wounds or injuries sustained while on active duty. Without a change in present regulations, these veterans would receive GI Bill education benefits at a rate of one and one-half months per month of active duty service. Under this system a Vietnam veteran who was wounded and released after serving 17 months active duty would be eligible for only 26 months of education benefits, whereas the veteran who served just one month more would, under the proposed extension, be eligible for a full 45 months of education. This would in no way represent a just and equitable system.

It is for these reasons I propose the allotment of two and one-half months of benefits per month of active duty service, with a maximum benefit of 45 months of GI Bill education benefits reached upon completion of one and one-half years of active duty.

I request that the subcommittee give its full attention to this proposal. I am not asking that special benefits be granted any group or individual. I am simply suggesting that all veterans be granted fair treatment in the allotment of the benefits which they have earned.

Best wishes.

Sincerely,

DONALD M. FRASER.

STATEMENT BY HON. ROBERT KASTENMEIER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

I appreciate this opportunity to present a statement to your Subcommittee on H.R. 8406, a bill relating to G.I. Bill education and loan guaranty benefits.

Earlier this year I introduced legislation, H.R. 3248, which would extend the maximum educational benefits to forty-five months for all educational programs

under chapter 34 of Title 38 of the United States Code. I would like to direct my remarks to the provisions of H.R. 8406 relating to extension of the maximum eligibility period for all veterans continuing their education.

When the Vietnam Era Veterans' Readjustment Assistance Act of 1974 was under consideration in Congress last year, we were forced, at the insistence of some Members of the Senate, to agree to an extension to 45 months for undergraduate studies only. I do not believe a distinction between graduate and undergraduate studies is justified in determining eligibility for educational assistance payments under the G.I. Bill program. A veteran's eligibility for educational assistance should be based on the length of his military service, not on the level of his academic studies.

I think we also should keep in mind the rising cost of higher education and the difficulties many veterans are facing in financing their studies. Extending the maximum eligibility period [illegible] all veterans in school could assist a number of veterans in graduate programs in completing their studies.

I urge you and the Members of your Subcommittee to correct a serious inequity in existing law by extending the maximum eligibility period for educational benefits to 45 months for veterans in all levels of study.

Thank you again for the opportunity to present this statement.

STATEMENT OF HON. JOHN MELCHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA

Mr. Chairman and Members of the Subcommittee, I am glad for this opportunity to encourage favorable consideration of legislation to extend the maximum veterans educational entitlement from 36 to 45 months and to boost the amount of assistance for each month of active duty service.

The bill I have cosponsored (H.R. 5895), in addition to lengthening the maximum entitlement, would increase the educational assistance for veterans from the present 1½ months for each month of active duty to 2½ months of schooling support. Public Law 93-508 was helpful in allowing an additional nine months for pursuit of training leading to a standard undergraduate degree when a veteran had exhausted his maximum 36-month eligibility without completing degree requirements. But it did nothing for those veterans who had not established the maximum entitlement through 18 months of service.

Education is the finest gift a free society can give to its citizens, in this case those who have earned the opportunity through dedicated military service, and I think we would do well to liberalize the educational benefits allowances.

Thank you.

STATEMENT OF HON. JAMES A. BURKE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. Chairman, I am submitting this statement today in order to make the Members of the Committee aware of my support of HR 5558. HR 5558, if enacted, will entitle veterans to 45 months of educational assistance for all programs under Chapter 34 of Title 38 of the United States Code.

Undergraduate students are entitled to 45 months of educational benefits whereas all other students eligible for this funding are given only 36 months to complete their studies.

It is most unfortunate that so many of our young men and women had their educations totally interrupted by the Vietnam War while they so unselfishly attended to our Nation's exigent demand. These men and women faithfully completed their duty to our country and deserve our full support as they resume their civilian lives.

Therefore, I feel it is imperative for the Subcommitte on Education and Training to favorably report this proposal in order to rectify this injustice within our veterans' educational program.

STATEMENT OF HON. MARK ANDREWS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Mr. Chairman, thank you for allowing me the opportunity to submit my statement relative to H.R. 8406, which would amend Title 38 of the United States Code by establishing a termination date for veterans' educational benefits and extending the maximum allowable benefits to 45 months.

I would like to address myself only to Section 2 of this bill, as the proposed change is also embodied in Section 1 of H.R. 5549, which I have introduced and which has also been referred to this Committee. These sections of the respective bills seek to extend the entitlement for educational assistance allowed under Public Law 93-508 from 36 to 45 months (or the equivalent thereof in part-time educational assistance). This change permits training eligibility identical to that now restricted only to undergraduate study and it embodies the concept of "equal benefits for equal service."

Many veterans believe that the restriction to only undergraduate study is inequitable because it excludes those who have completed this level of education and who desire to pursue study at the graduate level. I agree with this view, because many professions require advance degree work as a basic entry requirement. Gone are the days when a bachelors degree was a ticket to most any job. This change should not work to the disadvantage of servicemen, who voluntarily or involuntarily, dedicated a portion of their "professional development" years to military service. These individuals should be given equal opportunity to pursue a degree of their choice without regard to whether it be at an undergraduate or a graduate level. This represents equitable treatment.

I urge your Committee to give favorable consideration to the proposed extension of eligibility time by appropriately amending Title 38 of the USC. Also, I hope this Committee will consider the merits of granting a similar time extension for certain dependents under Chapter 35 of such title, as proposed in my bill, H.R. 5549.

Thank you again for the opportunity to submit my views on this matter.

STATEMENT OF HON. TOM RAILSBACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. Chairman and Members of the Subcommittee. I want to urge you to include a provision in the legislation currently before you extending entitlement to all veterans to forty-five months of educational assistance for all educational programs provided in chapter 34, title 38, U.S. Code.

Under the Vietnam Era Veterans' Readjustment Assistance Act of 1974, the maximum entitlement to benefits for veterans pursuing an undergraduate college degree was extended from 36 to 45 months. Because I felt this provision was unfair to those veterans who were in graduate school or in other areas of study, such as a training apprenticeship program, I introduced legislation, H.R. 3475, to grant this 9 month extension to all veterans for any authorized program of education.

Many of my constituents have contacted me to express their concern over this exclusion of other students from this extension. One of these young men, a student at Western Illinois University, stated that many of the veterans at the college feel as he does that the failure to grant the 9 month extension to graduate students is very unfair to him and others like him who have worked hard towards a degree. He stated: "I finished my undergraduate degree as fast as possible (2 years and 10 months) in order that I would have enough of the GI Bill in reserve for me to obtain my masters degree. However, my GI Bill runs out after one more quarter and I still need 24 more quarter hours to complete my degree." I have also heard from a veteran participating in an Electrical Apprenticeship Program, who feels that "Whether a college student or an apprenticeship, it is difficult and any assistance helps, since we both have a common goal we want to achieve and that is to better ourselves."

Of our Vietnam-era veterans, 1,714,729 or 24.2% were in school in FY '74, including 215,000 service disabled veterans trained under one of the VA educational programs available to them. Under the original WW II program a veteran's full tuition, fees, books, and supplies, etc., were paid directly by the Veterans Administration, up to a maximum of $500 per school year. In addition, veterans were entitled to a monthly subsistence allowance of $50 (later increased to $75) plus additional amounts for dependents. The Vietnam-era benefits were not as liberal as those offered after WW II and an extension to 45 months to include all programs of education for these young men would be a step in alleviating the inequity as the Vietnam-era is brought to a close.

Veterans may be forced to have a break in their education for various reasons. Others may take longer than the average 36 months to complete their college work, as they are working to support their families to supplement the educational benefits granted by the government and cannot take a full academic load each semester. I, therefore, understand the reasoning in granting this additional time to undergraduate students in P.L. 93-508. This has served, however, to dis-

courage veterans from completing their undergraduate work in four years and it appears that many are extending it in order to obtain benefits for the additional year. For those young men who do finish their education in the average 36 months, I see no reason to deny them assistance for that year of study for graduate school. For several reasons, more and more college graduates are going on to graduate school. Some are continuing their education because of the shortage of jobs and others have found a need to limit their course of study to a more specific area due to the competition from the abundance of students with undergraduate degrees. Those veterans in training courses should also not be denied this extra year which they may need to complete their course of instruction.

I am aware of the opposition of the Veterans Administration to this legislation, primarily due to cost, and am certainly concerned over any new Federal spending programs at this time. It is my belief, however, that this would be a worthwhile expenditure for these veterans who served our country during such an unpopular, tragic war.

STATEMENT OF HON. BOB CARR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN IN SUPPORT OF H.R. 3563

Mr. Chairman, I would like to express my support for H.R. 3563 which amends title 38, United States Code, in order to entitle veterans and eligible dependents to 45 months of educational assistance for all educational assistance programs administered by the Veterans Administration.

This bill, which was introduced by the former Chairman of the House Veterans Affairs Committee, Congressman Olin Teague, and myself, provides for an unrestricted extension of basic eligibility for GI Bill educational benefits from 36 to 45 months. This is an obvious piece of "unfinished business" from our efforts during the past 4 years to significantly improve educational benefits for Vietnam veterans. Hopefully we will be able to proceed quickly to successful enactment of this legislation so that we can insure the continuity of eligibility for most veterans currently in training.

While I believe the merits of this measure are obvious, it would be worthwhile to examine the history of this proposal. During extensive hearings on readjustment assistance benefits for Vietnam-era veterans held last year by both the House and Senate, a great deal of testimony was given urging that the then maximum entitlement of 36 months be extended.

Proponents of this extension, noting that the World War II veterans had received up to a maximum of 48 months entitlement, argued for additional eligibility and repeatedly testified as to the difficulties of many veterans in obtaining an undergraduate degree in 36 months, that is, 4 standard academic years of 9 months each. Due to circumstances beyond their control, many veterans are unable to complete their programs of instruction within the given time frame. Such circumstances include the higher price of education, credits lost in transfer from one institution to another, change of major or program of instruction, lack of sufficient preparatory background or training to complete a program of instruction. All of these factors had combined to make it very likely that many Vietnam-era veterans would not be able to complete baccalaureate degree requirements within 4 academic years.

Thus, in final consideration of Public Law 93-508, an additional nine months of educational entitlement was provided for those veterans pursuing a standard undergraduate college degree. However, this restricted 9-months of entitlement is providing difficult to implement. Whether one qualifies for the additional benefit often turns on technicalities that may seem absurd. For example, a person enrolled in a standard 5-year undergraduate program, such as pharmacy or engineering, may qualify for benefits. But then again he may not qualify for benefits if he was entitled to a bachelor's degree at the end of 4 years. Further, the restriction limiting additional entitlement to undergraduate education may have the unintended effect of discouraging rapid and efficient progress by a veteran to his or her ultimate educational objective. Veterans may be encouraged to stretch out their undergraduate career rather than make maximum efficient use of their benefits.

This restriction is also unprecedented. Never in the history of the GI Bill readjustment assistance programs, beginning with the World War II GI Bill and including both the Korean Conflict and the present program, has any stipulation been imposed on the level of training, undergraduate or graduate, for which the GI educational assistance may be used. The limited 9-month extension thus, in effect, provides unequal benefits for equal service. Veterans who have pursued the same military obligation may receive unequal education benefits. With vet-

eran unemployment rates for younger veterans close to 20%, educational benefits under the GI Bill program must assist and not detract motivated veterans seeking greater opportunity through disciplines that require more training such as teaching, business, law, medicine, and other professions.

The Carnegie Commission on Higher Education and others have pointed out that educational requirements imposed by employers, State licensing agencies, and professional certification boards demand increasing periods of higher education. What a bachelors degree would qualify a veteran for 20 years ago in terms of salary, job opportunities, and responsibilities, may very well require a Masters' or other advanced degree now. Such additional education should be viewed as an investment not only in the veterans who will benefit, but in the future of the country itself. Increased education through the GI Bill has invariably meant increased tax revenues as well as a better educated populace contributing to the welfare and development of our nation.

As stated in the Senate committee report in the last Congress—No. 93–907, the 9-month provision had two principal purposes: "to insure that veterans . . . taking reduced credit loads, forced to work, and facing technical and administrative bottlenecks . . . will be able to complete their undergraduate degrees" and to meet "the increasing periods of higher education" demanded by "the educational requirements imposed by employers, State licensing agencies, and professional certification boards." Limiting the additional months of entitlement to undergraduate courses may fulfill the first purpose stated above, but it is preventing and will continue to prevent many veterans from having the opportunity to compete for the increasing number of jobs which require advanced courses of education, and thus fulfill the second principal purpose mandated by Congress.

STATEMENT OF HON. SPARK M. MATSUNAGA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII ON H.R. 8406

Mr. Chairman and Members of the Subcommittee, I appreciate your invitation to offer testimony on veterans' educational benefits. I shall direct my statement to the question of extending the maximum period of eligibility for benefits from 36 to 45 months, as proposed in my bill, H.R. 6070, and as part of the Chairman's own bill, H.R. 8406. This is essential to remedy an inequitable situation.

During the 93rd Congress, educational benefits for veterans to pursue undergraduate degrees were extended from 36 to 45 months. However, because of the strong opposition of the Ford Administration, Congress restricted the extension to undergraduates enrolled in four-year degree programs at a college or university. By so restricting educational benefits, the thousands of veterans who are enrolled in graduate schools, vocational education courses, and on-the-job training programs are now precluded from utilizing the additional nine months of benefits. This makes the present law discriminatory against those veterans who either do not wish to be enrolled in four-year program at a college or a university or who have completed, or partially completed, college before entering the armed forces. This inhibits veterans from pursuing specialized occupational training, either on the graduate level or in a vocational program.

There is no rational basis for distinguishing between veterans who enter one type of occupational training and those who enter another. The objective for the GI Bill has always been to train veterans for useful occupations and help them make up for time spent in the service which they could have been using for occupational training. It is evident that in today's highly competitive job market, a four-year college degree is not sufficient in a great number of useful occupations. Vocational, technical, and professional training must be treated equally to training received in a four-year program at a college or university.

I personally owe most of the financing of my law school education to veterans' educational benefits. In good conscience, I cannot maintain that I served my country with greater sacrifice than today's veterans.

Furthermore, the national interest in promoting more and better trained professionals in such areas as medicine, dentistry, public health, engineering and many others would be clearly served by this extension. Veterans who simply could not afford to continue their education beyond the bachelor's degree would be in a position to pursue more specialized training in the nine additional months of benefits provided for under both H.R. 6070 and H.R. 8406.

Therefore, Mr. Chairman and Members of the Subcommittee, I strongly recommend your favorable action on this bill, both to alleviate the invidious discrimination which exists in the present law, and to help America meet shortages in many professional and technical fields.

Thank you very much.

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